OHIO AUDITOR OF STATE
KEITH FABER

LOGAN COUNTY
DECEMBER 31, 2022

TABLE OF CONTENTS

TABLE OF CONTENTS
(Continued)

TITLE **PAGE**

OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Logan County
Honorable County Board of Commissioners
Honorable County Auditor
Honorable County Treasurer
100 South Madriver Street
Bellefontaine, Ohio 43311

To the County Board of Commissioners, Auditor, and Treasurer:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Logan County, Ohio (County), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Logan County, Ohio as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Auto and Gas, Developmental Disabilities, Childrens Services, and American Rescue Plan Act funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 19 to the financial statements, during 2022, the financial impact of COVID-19 and the continuing recovery measures may impact subsequent periods of the County. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2023, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

November 6, 2023

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As management of Logan County (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2022.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by approximately $140.1 million (net position).

- The County's Governmental Activities net position increased by $12.4 million and the County's Business-Type Activities net position increased by $2.0 million, as compared to the previous fiscal year net position.

- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of approximately $52.4 million, an increase of $5.6 million in comparison with the prior year fund balance.

- OPERS approved several changes to the health care plan offered to retirees in an effort to decrease costs and increase the solvency of the health care plan. These changes resulted in the County reporting a net OPEB asset beginning in 2021 (compared to reporting a net OPEB liability in prior years). The change continued to effect the net OPEB asset and overall expenses in the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of the County included general government, public safety, public works, health, human services, economic development and assistance, and urban redevelopment and housing. The business-type activities of the County include sewer district and county home operations.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Most of the County's activities are reported in governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, auto and gas fund, developmental disabilities fund, childrens services fund, and American Rescue Plan Act fund, each of which are considered to be major funds. The other governmental funds are combined into a single, aggregated presentation.

The County adopts annual appropriated budgets for the general fund, auto and gas fund, developmental disabilities fund, childrens services fund, and American Rescue Plan Act fund. A budgetary comparison statement has been provided for each to demonstrate compliance with these budgets.

Proprietary funds - The County utilizes one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its sewer district and county home operations.

Proprietary funds provided the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provided separate information for sewer district and county home operations, both of which are considered to be major funds of the County.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its employees.

Government-Wide Financial Analysis

The table below provides a comparative summary of the County's net position at December 31, 2022 and December 31, 2021:

	Governmental Activities			Business-Type Activities		
	2022	2021	Change	2022	2021	Change
Assets						
Current & Other Assets	$ 78,018,837	$ 68,304,064	$ 9,714,773	$ 15,701,521	$ 15,977,241	$ (275,720)
Net Pension/OPEB Asset	3,345,307	1,922,038	1,423,269	1,008,548	594,700	413,848
Captial Assets, Not being Depreciated/Amortized	4,986,411	5,316,421	(330,010)	7,963,454	3,863,980	4,099,474
Capital Assets, Being Depreciated/Amortized, net	87,708,185	88,111,846	(403,661)	32,214,268	33,370,223	(1,155,955)
Total Assets	174,058,740	163,654,369	10,404,371	56,887,791	53,806,144	3,081,647
Deferred Outflows of Resources						
Deferred Charges on Refunding	-	-	-	827,329	899,892	(72,563)
Pension & OPEB	5,615,439	3,552,892	2,062,547	1,682,591	1,550,816	131,775
Total Deferred Outflows of Resources	5,615,439	3,552,892	2,062,547	2,509,920	2,450,708	59,212
Liabilities						
Current & Other Liabilities	8,727,788	6,159,237	2,568,551	1,438,372	795,245	643,127
Long-Term Liabilities:						
Due Within One Year	1,348,465	1,480,154	(131,689)	1,676,809	1,694,788	(17,979)
Due In More Than One Year:						
Net Pension Liability	10,949,626	15,920,912	(4,971,286)	3,046,847	5,028,144	(1,981,297)
Other Amounts	13,764,599	14,639,846	(875,247)	27,337,470	25,538,087	1,799,383
Total Liabilities	34,790,478	38,200,149	(3,409,671)	33,499,498	33,056,264	443,234
Deferred Inflows of Resources						
Property Taxes Levied for the Next Year	10,196,233	9,171,338	1,024,895	-	-	-
Leases	168,744	175,632	(6,888)	-	-	-
Pension	11,919,644	7,246,678	4,672,966	3,886,914	2,327,100	1,559,814
OPEB	3,430,498	5,597,662	(2,167,164)	1,105,558	1,923,359	(817,801)
Total Deferred Inflows of Resources	25,715,119	22,191,310	3,523,809	4,992,472	4,250,459	742,013
Net Investment in Capital Assets	79,214,618	78,831,108	383,510	11,994,826	11,981,394	13,432
Restricted	33,956,605	32,659,922	1,296,683	-	-	-
Unrestricted	5,997,359	(4,675,228)	10,672,587	8,910,915	6,968,735	1,942,180
Total Net Position	$ 119,168,582	$ 106,815,802	$ 12,352,780	$ 20,905,741	$ 18,950,129	$ 1,955,612

The net pension liability (NPL) is the largest single liability reported by the County at December 31, 2022 and is reported pursuant to GASB Statement 68, Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27. The County has also adopted GASB Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, which significantly revised accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the County's actual financial condition by adding deferred inflows for pension and OPEB and the net pension liability to the reported net position and subtracting the net OPEB asset and deferred outflows for pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension (asset)/liability* or *net OBEP (asset)/liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB asset to equal the County's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the County is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer.* State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB asset.

As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liabilities section of the statement of net position.

In accordance with GASB 68 and GASB 75, the County's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB asset, respectively, not accounted for as deferred inflows/outflows.

There was a significant change in the net pension and net OPEB accruals for the County. These fluctuations are due to changes in the actuarial liabilities and related accruals that are passed through to the County's financial statements. All components of pension and OPEB accruals contribute to the fluctuations in deferred outflows/inflows of resources and net pension/net OPEB assets/liabilities are described in more detail in their respective note disclosures.

The increase in net OPEB asset is related to OPERS changes previously discussed in the financial highlights.

Governmental Activities

Current and other assets increased significantly in comparison with the prior year-end. This increase is primarily the result of an increase in pooled cash and investments. A key contributor to this increase was the receipt of American Rescue Plan Act (ARPA) funds during the year.

Current and other liabilities also increased significantly. This increase is primarily the result of unearned revenue related to ARPA funds received but not yet spent. Property taxes levied for the next year increased due to the triennial update completed in 2022.

By far the largest portion of the County's net position reflects its investment in capital assets (e.g. land, buildings, equipment and machinery, vehicles, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending.

An additional portion of the County's net position (restricted net position) represents resources that are subject to external restriction on how they may be used. The balance of net position is unrestricted.

Business-Type Activities

Capital assets, net increased significantly in comparison with the prior year-end. This increase represents the difference between capital acquisition and depreciation and disposals.

Capital acquisitions during the year were primarily the result of a variety of sewer district construction projects, most notably the Orchard Island and Wolfe Island Sanitary Sewer Replacement project. The project additions led to an increase in non-depreciable capital assets.

The sewer district construction projects are financed with bonds and Ohio Water Development Authority loans. Work done on sewer district projects was the primary reason for the increase in current and other liabilities.

The table below provides a comparative analysis of changes in net position for 2022 and 2021:

	Governmental Activities			Business-Type Activities		
	2022	2021	Change	2022	2021	Change
Revenues						
Program Revenues						
Charges for Services	$ 8,502,502	$ 7,962,117	$ 540,385	$ 13,140,350	$ 12,620,904	$ 519,446
Operating Grants	15,932,859	16,098,374	(165,515)	3,385,868	2,221,730	1,164,138
Capital Grants	394,032	1,830	392,202	15,865	18,483	(2,618)
Total Program Revenues	24,829,393	24,062,321	767,072	16,542,083	14,861,117	1,680,966
General Revenues						
Property Taxes	9,482,067	10,253,324	(771,257)	-	-	-
Sales Taxes	12,378,093	12,458,906	(80,813)	-	-	-
Other Local Taxes	77,625	64,819	12,806	-	-	-
Grants & Entitlements not Restricted to Specific Programs	4,291,048	1,823,131	2,467,917	-	-	-
Miscellaneous	3,921,891	4,142,688	(220,797)	184,400	227,097	(42,697)
Total General Revenues	30,150,724	28,742,868	1,407,856	184,400	227,097	(42,697)
Total Revenues	54,980,117	52,805,189	2,174,928	16,726,483	15,088,214	1,638,269
Program Expenses						
General Government						
Legislative and Executive	6,720,907	4,826,657	1,894,250	-	-	-
Judicial Systems	3,003,887	1,506,686	1,497,201	-	-	-
Public Safety	6,146,392	3,705,373	2,441,019	-	-	-
Public Works	8,128,972	6,322,094	1,806,878	-	-	-
Health	1,731,514	2,250,326	(518,812)	-	-	-
Human Services	15,229,753	11,707,404	3,522,349	-	-	-
Economic Development and Assistance	923,453	429,120	494,333	-	-	-
Urban Redevelopment and Housing	255,656	476,096	(220,440)	-	-	-
Debt Service:						
Interest and Fiscal Charges	486,803	476,623	10,180	-	-	-
Enterprise Operations						
Sewer District	-	-	-	5,539,601	4,976,783	562,818
Logan Acres County Home	-	-	-	9,231,270	6,022,550	3,208,720
Total Expenses	42,627,337	31,700,379	10,926,958	14,770,871	10,999,333	3,771,538
Change in Net Position	12,352,780	21,104,810	(8,752,030)	1,955,612	4,088,881	(2,133,269)
Net Position Beginning of Year	106,815,802	85,710,992	21,104,810	18,950,129	14,861,248	4,088,881
Net Position End of Year	$ 119,168,582	$ 106,815,802	$ 12,352,780	$ 20,905,741	$ 18,950,129	$ 1,955,612

Governmental Activities

Capital grants increased significantly in comparison with the prior year. Capital grants increased due to a special assessment levied for a ditch construction project.

Urban redevelopment and housing program expenses decreased, while others increased. Urban redevelopment and housing program expenses decreased due to decreased spending related to the Community Housing Impact and Preservation Program grants. The increases were most significantly due to pension and OPEB expenses. The increases in expenses is somewhat due to inflation of costs of goods and services, as well as the disposal of capital assets. Additionally, an increase in accounts payable, OPERS contributions, and the cost of construction-related materials affected legislative and executive, public safety, and public works expenses, respectively. Human services expenses increased due to higher costs of purchased care services. An increase in accounts payable affected economic development and assistance.

Increases in expenses outpaced increases in revenues in governmental activities, leading to a smaller change in net position as compared with the prior year.

Business-Type Activities

Operating grants increased significantly in comparison with the prior year mainly due to an increased state aid to the Logan Acres County Home.

Sewer District expenses increased due to increased costs for personnel and debt service. Logan Acres County Home expenses increased due to increased costs for personnel and contractual services.

Increases in expenses outpaced increases in revenue in business-type activities, leading to a smaller change in net position as compared with the prior year.

Financial Analysis of the Governmental Funds

	Fund Balance		
	12/31/2022	12/31/2021	Increase (Decrease)
General	$ 14,519,499	$ 11,837,899	$ 2,681,600
Auto & Gas	8,603,501	7,302,789	1,300,712
Developmental Disabilities	7,534,445	7,870,425	(335,980)
Childrens Services	2,494,574	2,168,730	325,844
American Rescue Plan Act	-	-	-

The general fund is the chief operating fund of the County. The fund balance of the County's general fund increased significantly during the fiscal year. Both revenues and expenditures were lower compared to the previous fiscal year, however decreases in expenditures, notably in public safety and health, outpaced the decreases in revenues leading to the increase in fund balance. Some of the decrease in expenditures is related to the use of American Rescue Plan Act revenue to offset expenses in the general fund.

The fund balance of the County's auto and gas fund also increased significantly during the fiscal year. A key contributor to this increase was conservative spending in relation to a decrease in intergovernmental revenue.

The fund balance of the County's developmental disabilities fund decreased during the fiscal year. This decrease represents the amount in which program expenditures, which were higher than the prior year, exceeded property taxes and intergovernmental revenues, which remained relatively stable compared to the prior year.

The fund balance of the County's children's services fund increased during the fiscal year. For the most part, the increase represents the amount in which property taxes and intergovernmental revenues exceeded program expenditures. Property taxes remained relatively stable, intergovernmental revenue increased, and although expenditures increased compared to the prior year, revenues still outpaced expenditures.

Financial Analysis of the Proprietary Funds

Net Position

	12/31/2022	12/31/2021	Increase (Decrease)
Sewer District	$ 15,884,890	$ 16,500,992	$ (616,102)
Logan Acres	5,020,851	2,449,137	2,571,714

Net position in the sewer district Fund decreased slightly during the fiscal year. For the most part, this decrease represents non-operating expenses.

Net position in the Logan Acres Home Fund increased significantly during the fiscal year. For the most part, this increase represents the amount in which operating income exceeded interest expense.

See financial highlights for explanation of changes in expenses related to OPEB.

General Fund Budgeting Highlights

The County's final revenue increased compared to the original revenue due to adjustments for expected sales taxes, charges for services, intergovernmental and miscellaneous revenue. Miscellaneous revenues were significantly less than the final estimate due to adjustments made for the receipt of federal funds.

The County's final appropriations exceeded original appropriations mainly due to adjustments to general government and public safety expenditure estimates. The expected expenditures increased due to increased wage and salary requirements in many departments, and approved purchases of public safety equipment and vehicle. The County's final actual budgetary expenditures were less than final appropriations due to less spending than estimated in several areas.

Capital Assets

Capital assets include land, intangibles, land improvements, buildings and improvements, intangible right to use buildings and improvements, machinery and equipment, intangible right to use machinery and equipment, vehicles, infrastructure and construction in progress. These capital assets are used to provide services to citizens and are not available for future spending.
Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

Governmental activities construction in progress decreased as compared to the prior fiscal year due to the completion of a new boiler system, work on the Faulkner-Wheeler ditch, and a jail security system. There was a significant disposal of capital assets due to the County taking a close inventory of assets.

Business type activities construction in progress increased over the prior fiscal year mainly due to work on several sewer district projects, with the Orchard Island Wolfe Island Sanitary Sewer Replacement project contributing the most to the increase.

Detailed information regarding capital asset activity is included in the Note 9 to the basic financial statements.

Debt Administration

The County's governmental activities debt decreased slightly during the fiscal year. For the most part, this decrease represents the amount in principal repayments during the fiscal year.

The County's business-type activities debt increased slightly during the year. For the most part, this increase represents the amount in which new loan issuances exceeded principal repayments during the year.

Detailed information regarding debt activity is included in the Note 10 to the basic financial statements.

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional information contact Jack Reser, County Auditor, 100 South Madriver Street, Bellefontaine, Ohio 43311, or e-mail at jreser@co.logan.oh.us or telephone at (937) 599-7209.

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Logan County, Ohio
Statement of Net Position
December 31, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Investments	$ 56,188,137	$ 12,457,461	$ 68,645,598
Cash and Cash Equivalents in Segregated Accounts	42,286	481,388	523,674
Sales Taxes Receivable	2,954,096	-	2,954,096
Property Taxes Receivable	10,786,903	-	10,786,903
Accounts Receivable	670,292	1,750,911	2,421,203
Special Assessments Receivable	293,386	359,827	653,213
Intergovernmental Recievable	5,148,032	599,720	5,747,752
Loans Receivable	166,250	-	166,250
Leases Receivable	176,685	-	176,685
Prepaid Items	522,848	52,214	575,062
Materials and Supplies Inventory	1,069,922	-	1,069,922
Net OPEB Asset	3,345,307	1,008,548	4,353,855
Captial Assets, Not being Depreciated/Amortized	4,986,411	7,963,454	12,949,865
Capital Assets, Being Depreciated/Amortized, net	87,708,185	32,214,268	119,922,453
Total Assets	174,058,740	56,887,791	230,946,531
Deferred Outflows of Resources			
Deferred Charges on Refunding	-	827,329	827,329
Pension	5,559,868	1,635,351	7,195,219
OPEB	55,571	47,240	102,811
Total Deferred Outflows of Resources	5,615,439	2,509,920	8,125,359
Liabilities			
Accounts Payable	1,569,772	435,963	2,005,735
Accrued Wages	488,694	360,286	848,980
Due to Other Governments	267,126	119,365	386,491
Contracts Payable	-	456,877	456,877
Accrued Interest Payable	37,560	65,807	103,367
Matured Compensated Absences Payable	1,630	74	1,704
Unearned Revenue	6,363,006	-	6,363,006
Long-Term Liabilities:			
Due Within One Year	1,348,465	1,676,809	3,025,274
Due In More Than One Year:			
Net Pension Liability	10,949,626	3,046,847	13,996,473
Other Amounts Due in More Than One Year	13,764,599	27,337,470	41,102,069
Total Liabilities	34,790,478	33,499,498	68,289,976
Deferred Inflows of Resources			
Property Taxes Levied for the Next Year	10,196,233	-	10,196,233
Leases	168,744	-	168,744
Pension	11,919,644	3,886,914	15,806,558
OPEB	3,430,498	1,105,558	4,536,056
Total Deferred Inflows of Resources	25,715,119	4,992,472	30,707,591
Net Position			
Net Investment in Capital Assets	79,214,618	11,994,826	91,209,444
Restricted for:			
Legislative & Executive	2,489,344	-	2,489,344
Public Safety	1,063,253	-	1,063,253
Human Services	13,072,830	-	13,072,830
Public Works	15,489,438	-	15,489,438
Economic Development and Assistance	760,044	-	760,044
Judicial	1,068,765	-	1,068,765
Urban Redevelopment and Housing	6,284	-	6,284
Other Purposes	6,647	-	6,647
Unrestricted	5,997,359	8,910,915	14,908,274
Total Net Position	$ 119,168,582	$ 20,905,741	$ 140,074,323

See accompanying notes to the basic financial statements

Logan County, Ohio
Statement of Activities
For the Year Ended December 31, 2022

		Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions
Governmental Activities				
General Government				
Legislative and Executive	$ 6,720,907	$ 3,357,906	$ -	$ -
Judicial Systems	3,003,887	387,523	527,356	-
Public Safety	6,146,392	636,756	664,871	-
Public Works	8,128,972	1,680,202	5,463,838	394,032
Health	1,731,514	2,107,112	100,000	-
Human Services	15,229,753	333,003	8,396,768	-
Economic Development and Assistance	923,453	-	248,428	-
Urban Redevelopment and Housing	255,656	-	531,598	-
Debt Service:				
Interest and Fiscal Charges	486,803	-	-	-
Total Governmental Activities	42,627,337	8,502,502	15,932,859	394,032
Business-Type Activities				
Sewer District	5,539,601	4,763,336	-	15,865
Logan Acres County Home	9,231,270	8,377,014	3,385,868	-
Total Business-Type Activities	14,770,871	13,140,350	3,385,868	15,865
Total	$ 57,398,208	$ 21,642,852	$ 19,318,727	$ 409,897

General Revenues
Property Taxes Levied for:
General Purposes
Developmental Disabilities
Childrens Services
Sales Tax Levied for:
General Purposes
Permanent Improvements
Public Safety
Other Local Taxes
Grants and Entitlements not Restricted to Specific Programs
Insurance Recoveries
Investment Earnings
Miscellaneous

Total General Revenues

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
$ (3,363,001)	$ -	$ (3,363,001)
(2,089,008)	-	(2,089,008)
(4,844,765)	-	(4,844,765)
(590,900)	-	(590,900)
475,598	-	475,598
(6,499,982)	-	(6,499,982)
(675,025)	-	(675,025)
275,942	-	275,942
(486,803)	-	(486,803)
(17,797,944)	-	(17,797,944)
-	(760,400)	(760,400)
-	2,531,612	2,531,612
-	1,771,212	1,771,212
(17,797,944)	1,771,212	(16,026,732)
3,053,085	-	3,053,085
6,305,003	-	6,305,003
123,979	-	123,979
8,648,777	-	8,648,777
3,189,361	-	3,189,361
539,955	-	539,955
77,625	-	77,625
4,291,048	-	4,291,048
2,617	-	2,617
(15,171)	-	(15,171)
3,934,445	184,400	4,118,845
30,150,724	184,400	30,335,124
12,352,780	1,955,612	14,308,392
106,815,802	18,950,129	125,765,931
$ 119,168,582	$ 20,905,741	$ 140,074,323

Logan County, Ohio
Balance Sheet
Governmental Funds
December 31, 2022

	General Fund	Auto and Gas Fund	Developmental Disabilities Fund	Childrens Services Fund
Assets				
Equity in Pooled Cash and Investments	$ 13,161,531	$ 7,185,075	$ 7,682,041	$ 2,722,256
Cash and Cash Equivalents in Segregated Accounts	-	-	-	2,780
Sales Taxes Receivable	1,969,397	-	-	-
Property Taxes Receivable	3,993,834	-	3,947,652	2,845,417
Accounts Receivable	323,684	8,821	-	135,234
Special Assessments Receivable	-	-	-	-
Intergovernmental Receivable	553,223	2,884,373	262,531	668,053
Leases Receivable	176,685	-	-	-
Interfund Receivable	-	-	-	-
Advances to Other Funds	498,430	-	-	-
Prepaid Items	352,203	175	9,668	2,162
Materials and Supplies Inventory	-	1,069,922	-	-
Loans Receivable	166,250	-	-	-
Total Assets	$ 21,195,237	$ 11,148,366	$ 11,901,892	$ 6,375,902
Liabilities				
Accounts Payable	$ 349,483	$ 105,183	$ 185,388	$ 367,635
Accrued Wages	170,381	84,090	59,520	82,050
Due to Other Governments	119,709	32,625	35,354	27,159
Interfund Payable	10,344	-	-	-
Matured Compensated Absences	714	-	-	-
Advances from Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	650,631	221,898	280,262	476,844
Deferred Inflows of Resources				
Property Taxes Levied for the Next Year	3,731,485	-	3,704,341	2,660,025
Unavailable Revenue	2,124,878	2,322,967	382,844	744,459
Leases	168,744	-	-	-
Total Deferred Inflows of Resources	6,025,107	2,322,967	4,087,185	3,404,484
Fund Balances				
Nonspendable	1,146,394	1,070,097	9,668	2,162
Restricted	-	7,533,404	7,524,777	2,492,412
Committed	1,992,847	-	-	-
Assigned	3,329,302	-	-	-
Unassigned	8,050,956	-	-	-
Total Fund Balance	14,519,499	8,603,501	7,534,445	2,494,574
Total Liabilities, Deferred Inflows of	$ 21,195,237	$ 11,148,366	$ 11,901,892	$ 6,375,902

American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
$ 6,363,006	$ 19,074,228	$ 56,188,137
-	39,506	42,286
-	984,699	2,954,096
-	-	10,786,903
-	202,553	670,292
-	293,386	293,386
-	779,852	5,148,032
-	-	176,685
-	27,097	27,097
-	104,360	602,790
-	158,640	522,848
-	-	1,069,922
-	-	166,250
$ 6,363,006	$ 21,664,321	$ 78,648,724
$ -	$ 562,083	$ 1,569,772
-	92,653	488,694
-	52,279	267,126
-	16,753	27,097
-	916	1,630
-	602,790	602,790
6,363,006	-	6,363,006
6,363,006	1,327,474	9,320,115
-	100,382	10,196,233
-	1,006,904	6,582,052
-	-	168,744
-	1,107,286	16,947,029
-	263,000	2,491,321
-	11,102,797	28,653,390
-	6,973,013	8,965,860
-	1,342,625	4,671,927
-	(451,874)	7,599,082
-	19,229,561	52,381,580
$ 6,363,006	$ 21,664,321	$ 78,648,724

See accompanying notes to the basic financial statements

Logan County, Ohio

Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2022

Total Governmental Fund Balances		$ 52,381,580
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		92,694,596
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Sales Taxes	$ 2,005,822	
Property Taxes	340,641	
Special Assessments	193,004	
Intergovernmental	3,732,829	
Accounts Receivable	309,756	6,582,052
Accrued interest payable is not due and payable in the current period and therefore not reported in the funds.		(37,560)
The net pension liability and net OPEB asset are not due and payable in the current period, therefore, the liability, asset and related deferred inflows/outflows are not reported in governmental funds.		
Net OPEB Asset	3,345,307	
Deferred Outflows - Pension	5,559,868	
Deferred Outflows - OPEB	55,571	
Net Pension Liability	(10,949,626)	
Deferred Inflows - Pension	(11,919,644)	
Deferred Inflows - OPEB	(3,430,498)	(17,339,022)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Various Purpose Bonds	(10,855,000)	
Loans Payable	(698,971)	
Unamortized Bond Premium	(105,493)	
Leases	(1,926,007)	
Compensated Absences	(1,527,593)	(15,113,064)
Net Position of Governmental Activities		$ 119,168,582

See accompanying notes to the basic financial statements

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Logan County, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balance

Governmental Funds

For the Year Ended December 31, 2022

	General	Auto and Gas Fund	Developmental Disabilities Fund	Childrens Services Fund
Revenues				
Sales Taxes	$ 8,352,010	$ -	$ -	$ -
Property Taxes	3,044,324	-	3,680,476	2,658,259
Other Local Taxes	-	-	-	-
Special Assessments	-	-	-	-
Charges for Services	2,646,644	301,555	90,305	1,625
Licenses and Permits	4,465	-	-	-
Fines and Forfeitures	159,485	66,311	-	-
Intergovernmental	1,134,233	5,347,309	1,686,363	2,717,297
Investment Income	(15,171)	538	-	-
Rent	8,333	-	-	-
Miscellaneous	1,754,345	31,802	229,201	609,519
Total Revenues	17,088,668	5,747,515	5,686,345	5,986,700
Expenditures				
Legislative and Executive	5,180,870	-	-	-
Judicial Systems	2,785,465	-	-	-
Public Safety	4,527,763	-	-	-
Public Works	-	4,429,861	-	-
Health	173,458	-	-	-
Human Services	534,451	-	5,996,052	5,650,786
Economic Development and Assistance	-	-	-	-
Urban Redevelopment and Housing	-	-	-	-
Capital Outlay	508,620	65,375	26,273	10,070
Debt Service:				
Principal Retirement	45,455	-	-	-
Interest and Fiscal Charges	2,131	-	-	-
Total Expenditures	13,758,213	4,495,236	6,022,325	5,660,856
Excess of Revenues Over (Under) Expenditures	3,330,455	1,252,279	(335,980)	325,844
Other Financing Sources (Uses)				
Insurance Recoveries	2,617	-	-	-
Transfers In	85,000	-	-	-
Transfers Out	(736,472)	-	-	-
Total Other Financing Sources (Uses)	(648,855)	-	-	-
Net Change in Fund Balances	2,681,600	1,252,279	(335,980)	325,844
Fund Balances Beginning of Year	11,837,899	7,302,789	7,870,425	2,168,730
Increase (Decrease) in Consumable Inventory	-	48,433	-	-
Fund Balances End of Year	$ 14,519,499	$ 8,603,501	$ 7,534,445	$ 2,494,574

American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
$ -	$ 4,198,701	$ 12,550,711
-	123,979	9,507,038
-	77,455	77,455
-	314,655	314,655
-	4,626,734	7,666,863
-	717,384	721,849
-	32,482	258,278
2,488,246	6,416,891	19,790,339
-	4	(14,629)
-	-	8,333
-	1,100,074	3,724,941
2,488,246	17,608,359	54,605,833
-	797,753	5,978,623
296,990	513,565	3,596,020
2,191,256	1,327,021	8,046,040
-	599,814	5,029,675
-	1,979,733	2,153,191
-	4,431,432	16,612,721
-	919,337	919,337
-	280,106	280,106
-	4,295,531	4,905,869
-	977,305	1,022,760
-	490,808	492,939
2,488,246	16,612,405	49,037,281
-	995,954	5,568,552
-	-	2,617
-	739,004	824,004
-	(87,532)	(824,004)
-	651,472	2,617
-	1,647,426	5,571,169
-	17,582,135	46,761,978
-	-	48,433
$ -	$ 19,229,561	$ 52,381,580

See accompanying notes to the basic financial statements

Logan County, Ohio

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2022

Net Change in Fund Balances - Total Governmental Funds		$ 5,571,169
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activites, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.		
Capital Asset Additions	$ 5,600,113	
Current Year Depreciation/Amortization	(5,253,317)	346,796
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(1,080,467)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Sales Taxes	(172,618)	
Property Taxes	(24,971)	
Special Assessments	142,986	
Intergovernmental	369,417	
Accounts Receivable	194,817	509,631
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities they are reported as an expense when consumed.		48,433
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Various Purpose Bonds	880,000	
Leases	142,760	1,022,760
In the statement of activities, interest is accrued on outstanding bonds, and bond premium and the gain/loss on refunding are amortized over the term of the bonds, whereas in governmental funds, an interest expenditure is reported when bonds are issued.		
Accrued Interest Payable	(1,018)	
Amortization of Premium on Bonds	7,154	6,136
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension		2,442,183
Except for amount reported as deferred inflows/outflows, changes in the net pension and net OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension	785,893	
OPEB	2,723,224	3,509,117
Some expenses reported in the statement of activities, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated Absences		(22,978)
Change in Net Position of Governmental Activities		$ 12,352,780

See accompanying notes to the basic financial statements

Logan County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Sales Taxes	$ 5,886,369	$ 7,697,850	$ 8,366,648	$ 668,798
Property Taxes	3,000,000	3,000,000	3,062,794	62,794
Charges for Services	1,458,446	1,907,271	2,072,978	165,707
Licenses and Permits	3,145	4,113	4,470	357
Fines and Forfeitures	108,117	141,389	153,674	12,285
Intergovernmental	1,351,254	1,767,092	1,920,617	153,525
Investment Income	551,440	721,142	783,796	62,654
Rent	5,863	7,667	8,333	666
Miscellaneous	2,919,805	3,818,352	1,661,849	(2,156,503)
Total Revenues	15,284,439	19,064,876	18,035,159	(1,029,717)
Expenditures				
Current:				
General Government				
Legislative and Executive	5,838,501	6,624,021	6,434,916	189,105
Judicial Systems	3,447,864	3,382,349	2,977,327	405,022
Public Safety	5,730,013	6,883,075	4,637,343	2,245,732
Health	181,654	222,962	189,763	33,199
Human Services	680,000	679,999	612,668	67,331
Capital Outlay	198,801	608,847	599,931	8,916
Debt Service:				
Principal Retirement	37,882	37,882	37,882	-
Interest and Fiscal Charges	1,473	1,473	1,473	-
Total Expenditures	16,116,188	18,440,608	15,491,303	2,949,305
Excess of Receipts Over (Under) Expenditures	(831,749)	624,268	2,543,856	1,919,588
Other Financing Sources (Uses)				
Insurance Recoveries	1,841	2,408	2,617	209
Transfers In	17,237	22,542	-	(22,542)
Advances In	694,383	908,074	976,968	68,894
Advances Out	-	(200,000)	(100,000)	100,000
Transfers Out	(735,691)	(4,541,691)	(4,432,472)	109,219
Total Other Financing Sources (Uses)	(22,230)	(3,808,667)	(3,552,887)	255,780
Net Change in Fund Balance	(853,979)	(3,184,399)	(1,009,031)	2,175,368
Fund Balance Beginning of Year	4,126,659	4,126,659	4,126,659	-
Prior Year Encumbrances Appropriated	907,314	907,314	907,314	-
Fund Balance End of Year	$ 4,179,994	$ 1,849,574	$ 4,024,942	$ 2,175,368

See accompanying notes to the basic financial statements

Logan County, Ohio

Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Auto and Gas Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Charges for Services	$ 292,258	$ 225,000	$ 301,555	$ 76,555
Fines and Forfeitures	59,832	60,000	61,735	1,735
Intergovernmental	5,286,567	5,350,000	5,454,751	104,751
Investment Income	521	-	538	538
Miscellaneous	30,822	35,000	31,802	(3,198)
Total Revenues	5,670,000	5,670,000	5,850,381	180,381
Expenditures				
Current:				
Public Works	5,818,883	6,077,883	4,585,108	1,492,775
Capital Outlay	632,197	616,197	456,310	159,887
Total Expenditures	6,451,080	6,694,080	5,041,418	1,652,662
Net Change in Fund Balance	(781,080)	(1,024,080)	808,963	1,833,043
Fund Balance Beginning of Year	5,303,316	5,303,316	5,303,316	-
Prior Year Encumbrances Appropriated	454,080	454,080	454,080	-
Fund Balance End of Year	$ 4,976,316	$ 4,733,316	$ 6,566,359	$ 1,833,043

See accompanying notes to the basic financial statements

Logan County, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis)

Developmental Disabilities Fund

For the Year Ended December 31, 2022

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Property Taxes	$ 3,550,000	$ 3,550,000	$ 3,733,941	$ 183,941
Charges for Services	77,920	65,100	90,305	25,205
Intergovernmental	1,455,074	1,612,029	1,686,363	74,334
Miscellaneous	258,771	114,636	299,904	185,268
Total Revenues	5,341,765	5,341,765	5,810,513	468,748
Expenditures				
Current:				
Human Services	6,500,170	6,692,956	6,124,672	568,284
Capital Outlay	24,878	32,092	31,271	821
Total Expenditures	6,525,048	6,725,048	6,155,943	569,105
Net Change in Fund Balance	(1,183,283)	(1,383,283)	(345,430)	1,037,853
Fund Balance Beginning of Year	7,670,188	7,670,188	7,670,188	-
Prior Year Encumbrances Appropriated	153,835	153,835	153,835	-
Fund Balance End of Year	$ 6,640,740	$ 6,440,740	$ 7,478,593	$ 1,037,853

See accompanying notes to the basic financial statements

Logan County, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis)

Childrens Services Fund

For the Year Ended December 31, 2022

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Property Taxes	$ 2,700,000	$ 2,700,000	$ 2,698,388	$ (1,612)
Charges for Services	2,783	2,783	1,625	(1,158)
Intergovernmental	4,409,942	4,409,942	2,575,446	(1,834,496)
Miscellaneous	1,035,955	1,035,955	605,007	(430,948)
Total Revenues	8,148,680	8,148,680	5,880,466	(2,268,214)
Expenditures				
Current:				
Human Services	5,143,269	6,032,082	5,891,294	140,788
Capital Outlay	5,350	13,937	13,795	142
Total Expenditures	5,148,619	6,046,019	5,905,089	140,930
Net Change in Fund Balance	3,000,061	2,102,661	(24,623)	(2,127,284)
Fund Balance Beginning of Year	1,981,538	1,981,538	1,981,538	-
Prior Year Encumbrances Appropriated	341,226	341,226	341,226	-
Fund Balance End of Year	$ 5,322,825	$ 4,425,425	$ 2,298,141	$ (2,127,284)

See accompanying notes to the basic financial statements

Logan County, Ohio

Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
American Rescue Plan Act Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Intergovernmental	$ 4,435,626	$ 4,435,626	$ 4,435,626	$ -
Total Revenues	4,435,626	4,435,626	4,435,626	-
Expenditures				
Current:				
General Government				
Judicial Systems	417,750	454,123	296,990	157,133
Public Safety	3,386,991	3,350,618	2,703,010	647,608
Total Expenditures	3,804,741	3,804,741	3,000,000	804,741
Net Change in Fund Balance	630,885	630,885	1,435,626	804,741
Fund Balance Beginning of Year	4,110,884	4,110,884	4,110,884	-
Prior Year Encumbrances Appropriated	304,741	304,741	304,741	-
Fund Balance End of Year	$ 5,046,510	$ 5,046,510	$ 5,851,251	$ 804,741

See accompanying notes to the basic financial statements

Logan County, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2022

	Enterprise Funds		
	Sewer District	Logan Acres Home	Total
Assets			
Current Assets:			
Equity in Pooled Cash and Investments	$ 6,475,783	$ 5,981,678	$ 12,457,461
Cash and Cash Equivalents in Segregated Accounts	440,588	40,800	481,388
Accounts Receivable	450,253	1,300,658	1,750,911
Special Assessments Receivable	359,827	-	359,827
Intergovernmental Receivable	-	599,720	599,720
Prepaid Items	19,656	32,558	52,214
Total Current Assets	7,746,107	7,955,414	15,701,521
Non-Current Assets:			
Net OPEB Asset	252,137	756,411	1,008,548
Non-Depreciable Capital Assets	7,458,347	505,107	7,963,454
Depreciable Capital Assets, Net	21,080,379	11,133,889	32,214,268
Total Non-Current Assets	28,790,863	12,395,407	41,186,270
Total Assets	36,536,970	20,350,821	56,887,791
Deferred Outflows of Resources			
Deferred Charges on Refunding	710,852	116,477	827,329
Pension	464,098	1,171,253	1,635,351
OPEB	45,063	2,177	47,240
Total Deferred Outflows of Resources	1,220,013	1,289,907	2,509,920
Liabilities			
Current Liabilities:			
Accounts Payable	162,651	273,312	435,963
Accrued Wages	85,069	275,217	360,286
Contracts Payable	456,877	-	456,877
Due to Other Governments	28,681	90,684	119,365
Matured Compensated Absences Payable	-	74	74
Accrued Interest Payable	35,225	30,582	65,807
Compensated Absences Payable	52,907	89,062	141,969
Leases Payable	1,958	11,629	13,587
Loans Payable	130,923	-	130,923
Revenue Bonds Payable	915,330	475,000	1,390,330
Total Current Liabilities	1,869,621	1,245,560	3,115,181
Long-Term Liabilities:			
Compensated Absences Payable - Net of Current Portion	76,884	156,822	233,706
Leases Payable - Net of Current Portion	-	26,426	26,426
Loans Payable - Net of Current Portion	7,239,458	-	7,239,458
Revenue Bonds Payable - Net of Current Portion	9,939,123	8,875,000	18,814,123
Unamortized Bond Premium	802,049	221,708	1,023,757
Net Pension Liability	761,712	2,285,135	3,046,847
Total Long-Term Liabilities	18,819,226	11,565,091	30,384,317
Total Liabilities	20,688,847	12,810,651	33,499,498
Deferred Inflows of Resources			
Pension	922,736	2,964,178	3,886,914
OPEB	260,510	845,048	1,105,558
Total Deferred Inflows of Resources	1,183,246	3,809,226	4,992,472
Net Position			
Net Investment in Capital Assets	9,849,116	2,145,710	11,994,826
Unrestricted	6,035,774	2,875,141	8,910,915
Total Net Position	$ 15,884,890	$ 5,020,851	$ 20,905,741

See accompanying notes to the basic financial statements

Logan County, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2022

	Enterprise		
	Sewer District	Logan Acres Home	Total
Operating Revenues			
Charges for Services	$ 4,763,336	$ 8,377,014	$ 13,140,350
Special Assessments	15,865	-	15,865
Intergovernmental	-	3,385,868	3,385,868
Other	144,298	40,102	184,400
Total Operating Revenues	4,923,499	11,802,984	16,726,483
Operating Expenses			
Personal Services	1,791,678	4,346,407	6,138,085
Contractual Services	1,898,006	2,718,094	4,616,100
Materials and Supplies	294,262	977,573	1,271,835
Depreciation/Amortization	1,035,076	462,254	1,497,330
Miscellaneous	27,691	362,705	390,396
Total Operating Expenses	5,046,713	8,867,033	13,913,746
Operating Income (Loss)	(123,214)	2,935,951	2,812,737
Non-Operating Revenues (Expenses)			
Loss on Disposal of Capital Assets	(34,845)	(5,081)	(39,926)
Interest and Fiscal Charges	(458,043)	(359,156)	(817,199)
Total Non-Operating Revenues (Expenses)	(492,888)	(364,237)	(857,125)
Change in Net Position	(616,102)	2,571,714	1,955,612
Net Position Beginning of Year	16,500,992	2,449,137	18,950,129
Net Position End of Year	$ 15,884,890	$ 5,020,851	$ 20,905,741

See accompanying notes to the basic financial statements

Logan County, Ohio

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2022

	Enterprise Funds		
	Sewer District	Logan Acres Home	Total
Cash Flows from Operating Activities			
Cash Received from Services	$ 5,226,908	$ 7,482,889	$ 12,709,797
Cash Received from Other Governments	-	2,813,802	2,813,802
Cash Received from Other Operating Sources	136,596	36,686	173,282
Cash Payments to Suppliers for Goods and Services	(2,145,532)	(3,654,432)	(5,799,964)
Cash Payments to Employees for Services and Benefits	(1,892,569)	(5,801,905)	(7,694,474)
Cash Payments for Other Services	(33,177)	(363,141)	(396,318)
Net Cash Provided by (Used for) Operating Activities	1,292,226	513,899	1,806,125
Cash Flows from Capital and Related Financing Activities			
Proceeds of OWDA Loans	5,570,734	-	5,570,734
Acquisition of Capital Assets	(3,910,442)	(142,235)	(4,052,677)
Principal Payments on Leases	(5,873)	(11,286)	(17,159)
Payment to Bond Escrow Agent	(1,961,476)	-	(1,961,476)
Principal Payments on Debt	(1,344,770)	(450,000)	(1,794,770)
Interest Payments on Debt	(507,646)	(366,987)	(874,633)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(2,159,473)	(970,508)	(3,129,981)
Net Increase (Decrease) in Cash and Cash Equivalents	(867,247)	(456,609)	(1,323,856)
Cash and Cash Equivalents Beginning of Year	7,783,618	6,479,087	14,262,705
Cash and Cash Equivalents End of Year	$ 6,916,371	$ 6,022,478	$ 12,938,849

See accompanying notes to the basic financial statements

	Enterprise Funds		
	Sewer District	Logan Acres Home	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	$ (123,214)	$ 2,935,951	$ 2,812,737
Adjustments:			
Depreciation	1,035,076	462,254	1,497,330
(Increase) Decrease in Assets and Deferred Outflows:			
Accounts Receivable	375,098	(897,541)	(522,443)
Due from Other Governments	-	(572,066)	(572,066)
Prepaid Items	(19,656)	1,122	(18,534)
Special Assessments Receivable	64,907	-	64,907
Net OPEB Asset	(109,409)	(304,439)	(413,848)
Deferred Outflows - Pension/OPEB	169,939	(301,714)	(131,775)
Increase (Decrease) in Liabilities and Deferred Inflows:			
Accounts Payable	60,906	42,521	103,427
Accrued Wages	36,364	116,075	152,439
Due to Other Governments	8,258	22,986	31,244
Compensated Absences Payable	13,226	30,333	43,559
Matured Compensated Absences Payable	(541)	(1,027)	(1,568)
Deferred Inflows - Pension/OPEB	226,315	515,698	742,013
Net Pension Liability	(445,043)	(1,536,254)	(1,981,297)
Net Cash Provided by (Used For) Operating Activities	$ 1,292,226	$ 513,899	$ 1,806,125

Noncash Capital Financing Activities:

At the end of 2021, the County had capital-related payables in the Sewer District Fund totaling $28,779.

At the end of 2022, the County had capital-related payables in the Sewer District Fund totaling $456,877.

Logan County, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2022

	Private Purpose Trust	Custodial
Assets		
Equity in Pooled Cash and Investments	$ 84,002	$ 5,312,687
Cash and Cash Equivalents in Segregated Accounts	-	482,129
Prepaid Items	-	31,907
Property Taxes Receivable	-	62,153,706
Due from Other Governments	-	2,923,342
Special Assessments Receivable (Current Asset)	-	619,145
Total Assets	84,002	71,522,916
Liabilities		
Accounts Payable	-	100,480
Accrued Wages and Benefits	-	64,979
Intergovernmental Payable	-	24,531
Due to Other Governments	-	7,623,314
Total Liabilities	-	7,813,304
Deferred Inflows of Resources		
Property Taxes Levied for the Next Year	-	58,117,982
Total Deferred Inflows of Resources	-	58,117,982
Net Position		
Restricted - Non-Expendable	70,787	-
Restricted - Expendable	13,215	-
Restricted Net Position for Individuals, Organizations & Other Govts	-	5,591,630
Total Net Position	$ 84,002	$ 5,591,630

Logan County, Ohio

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended December 31, 2022

	Private Purpose Trust	Custodial
Additions		
Interest	$ 283	$ -
Intergovernmental	-	7,057,641
Amounts Received as Fiscal Agent	-	3,336,093
Licenses, Permits & Fees for Other Governments	-	10,168,838
Fines & Forfeitures for Other Governments	-	1,272,825
Property Tax and Special Assessment Collections for Other Governments	-	50,099,666
Sheriff Sale Collections for Other Governments	-	1,955,161
Amounts Received for Others	-	395,152
Total Additions	283	74,285,376
Deductions		
Payments in Accordance with Trust Agreements	270	-
Distributions as Fiscal Agent	-	2,882,611
Distributions of State Funds to Other Goverments	-	4,638,037
Distributions to the State of Ohio	-	910
Licenses, Permits & Fees Distributions to Other Governments	-	10,204,813
Fines & Forfeitures Distributions to Other Governments	-	1,384,282
Property Tax and Special Assessment Distributions to Other Governments	-	50,186,262
Sheriff Sale Distributions to Other Governments	-	1,996,315
Distributions to Individuals	-	447,053
Total Deductions	270	71,740,283
Change in Net Position	13	2,545,093
Net Position Beginning of Year	83,989	3,046,537
Net Position End of Year	$ 84,002	$ 5,591,630

See accompanying notes to the basic financial statements

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NOTE 1 – REPORTING ENTITY

The County of Logan (the County) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The County was formed by an act of the Ohio General Assembly in 1818. The three-member Board of County Commissioners is the legislative and executive body of the County. The County Auditor is the chief fiscal officer. In addition, there are seven other elected administrative officials, each of whom is independent as set forth in Ohio Law. The officials are: Clerk of Courts, Coroner, Engineer, Prosecutor, Recorder, Sheriff, and Treasurer. The County's basic financial statements include accounts of all County's operations. The County's major operations include human and social services, certain health care and community assistance services, civil and criminal justice systems, road and bridge maintenance and general administrative services. In addition, the county also operates a sewer district and provides home services for individuals of the County.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financials are not misleading. The primary government of the County consists of all funds, departments, boards, and agencies that are not legally separate from the County. The County provides public safety protection within its boundaries and adjacent townships by mutual agreement contracts. The County provides basic utilities in the form of wastewater treatment. The County constructs and maintains roads and bridges within the County. The County also operates and maintains a recreation and conservation system.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the County in that the County approves their budget, the issuance of their debt or the levying of their taxes. Based on the foregoing criteria, the County does not have any material component units.

Jointly Governed Organizations

County Risk Sharing Authority, Inc. (CORSA) - CORSA is jointly governed by sixty-six counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. This coverage includes comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

Each member has one vote on all matters requiring a vote, to be cast by a designated representative. An elected board of not more than nine trustees manages the affairs of the CORSA. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the Board of Trustees.

Related Organizations

Logan County Libraries - The County is not involved in the budgeting process or operational management of the Library, nor does it subsidize or finance its operations.

Excluded Potential Component Units

As counties are structured in Ohio, the County Auditor and County Treasurer, respectively, serve as fiscal officer and custodian of funds for various agencies, boards, and commissions. As fiscal officer, the Auditor certifies the availability of cash and appropriations prior to the processing of payments and purchases. As the custodian of all public funds, the Treasurer invests public monies held on deposit in the County Treasury.

In the case of the separate agencies, boards, and commissions listed below, the County serves as fiscal agent and custodian, but does not exercise primary oversight responsibility; accordingly, the following have been excluded from the County's basic financial statements:

Logan County Health District - The Board representing the disciplines of medicine, law, business and industry, and education is composed of five members appointed by the mayors, township trustees, and county commissioners of Logan County.

Logan County Soil and Water Conservation District - The five members of the District are independently elected officials. They adopt their own budget and control their separate operations.

Logan County Family and Children First Council – The Council's Executive Committee is made up of eight members elected from the members of the full Council. The Council has selected the Logan County Auditor as fiscal and administrative agent.

Management believes the financial statements included in this report represent all of the funds of the County over which the County has the ability to exercise direct operating control.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below:

(a) Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except the fiduciary funds. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each program of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements

During the year, the County segregates transactions related to certain County programs or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at a more detail level. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

(b) Fund Accounting

The County uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary.

Governmental Funds

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The General Fund, Auto and Gas Fund, Developmental Disabilities Fund, Childrens Services Fund, and the American Rescue Plan Act Fund are the County's major governmental funds:

General Fund - The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Auto and Gas Fund - The Auto and Gas Fund is used to account for monies received by the Ohio Public Works Commission and the County for State gasoline tax and vehicle registration fees used for County road and bridge improvement programs.

Developmental Disabilities Fund - The Developmental Disabilities Fund is used to account for a County-wide property tax levy and state and federal grants and reimbursements used for care and services for individuals with developmental disabilities.

Childrens Services Fund - The Childrens Services Fund is used to account for a County-wide property tax levy and state and federal grants and reimbursements used advocate and work for children to have safe, permanent, and nurturing families.

American Rescue Plan Act Fund - The American Rescue Plan Act Fund is used to account for monies received from the federal government to support response and recovery from the COVID-19 public health emergency.

Under authority of ORC 5705.13(A), the County established a fund for the purpose of preparing for and assisting during an economic downturn of the national, state or local economy.

General Relief and Reserve Fund - The initial contribution was not to exceed one-sixth of the preceding year general fund expenditures balance. Subsequent contributions shall not exceed five percent of the total general fund revenue. Expenditures may be made in the event of an economic downturn in order to maintain general fund services, staff, equipment and governmental expenses. The fund is reported with the General Fund, and at fiscal year-end had a fund balance of $2,946,000.

The other governmental funds of the County are for grants and other resources, debt service, and capital projects of the County whose uses are restricted, committed, or assigned to a particular purpose.

Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds focus on the determination of the changes in net position, financial position and cash flows and are classified as either enterprise or internal service.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The County's two major enterprise funds are:

Sewer District Fund **-** The Sewer District Fund, formerly known as the Water Pollution Control Fund, is used to account for the financial transactions related to the water treatment service operations of the County.

Logan Acres Home Fund - The Logan Acres Home Fund is used to account for home services for individuals of Logan County.

Fiduciary Funds

Fiduciary funds focus on net position and changes in net position. The fiduciary funds are split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. The County's only trust fund (Chase Stuart Fund) is a private trust fund recorded as part of the fiduciary funds activities because the fund does not support any of the County's programs. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The County's remaining fiduciary funds are custodial funds. Custodial funds are used to account for assets held by the County as fiscal agent for other districts and entities; for various taxes, assessments, fines, and fees collected for the benefit of and distributed to other governments; and for State shared resources received from the State and distributed to other local governments.

(c) **Measurement Focus**

Government Wide Financial Statements

The Government -wide Financial Statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the County are included on the Statement of Net Position.

Fund Financial Statements

All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and others financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared.

Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary and fiduciary fund types are accounted for on a flow of economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e. revenues) and decreases (i.e. expenses) in net position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

(d) Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unavailable revenue and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, available means expected to be received within thirty days of year-end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used of the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: property taxes available as an advance, interest, grants, and rentals.

Unavailable Revenue

On the governmental funds balance sheet, unavailable revenue represent receivables that do not meet the County's availability criteria for recognition in the current period, such as sales taxes, special assessments, gasoline taxes, motor vehicle license fees, homestead and rollback funding, permissive license taxes, local government funds, state and federal grants, and delinquent property taxes, whose availability is indeterminate. In subsequent periods, when revenue recognition criteria are met, the unavailable revenue deferral is removed from the balance sheet and revenue is recognized.

Property and Other Local Taxes

On the government-wide statement of net position and governmental funds balance sheet, property and other local taxes represents property taxes and special assessments for which there is an enforceable legal claim as of December 31, 2022, but which were levied to finance year 2023 operations.

Revenue sources not susceptible to accrual include dog and vendor licenses, donations and some fines and forfeitures.

Expenditures/Expenses

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocation of cost, such as depreciation and amortization, are not recognized in governmental funds.

(e) Budget

An annual appropriated budget is legally required to be prepared for all funds of the County other than custodial funds. The Commissioners appropriate at the major account level within a division and fund. The appropriation level accounts for the County include personal services, fringe benefits, county share of retirement, unemployment compensation, materials and supplies, services and charges, grants, capital outlays, debt service, interfund transfers, and other expenses. For funds, which the Commissioners directly appropriate, transfers of appropriations at the major account level or between appropriation levels require a resolution signed by at least two Commissioners.

Estimated Resources:

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the County Auditor by September 1. As part of this certification, the County receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the County must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during the fiscal year.

Appropriations:

A temporary appropriation resolution to control expenditures may be passed on or about January 1 of each year for the period of January 1 to March 31. An annual appropriation resolution must be passed by April 1 of each year for the period January 1 to December 31. The appropriation resolution fixes spending authority at the fund, department, and object level.

The appropriation resolution may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year by an approval by at least two Commissioners. Several supplemental appropriation resolutions were legally enacted by the Commissioners during the year and were considered routine. The budget figures, which appear in the statement of budgetary comparisons, present the original and final appropriation amounts including all amendments and modifications.

Encumbrances:

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, General Fund encumbrances outstanding at year-end are reported as Assigned fund balance.

Lapsing of Appropriations:

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding year and need not be reappropriated.

(f) Cash and Investments

For GASB reporting purposes the County considers "Equity in Pooled Cash and Investments" to be cash on hand, demand deposits, and all investments held by the County Treasurer; and "Cash and Cash Equivalents in Segregated Accounts" to be all cash, deposits, and investments not held by the County Treasurer or in the County's investment pool. The County Treasurer, by statute, invests all short-term cash surpluses. The residual investments are reported on the balance sheet as "Equity in Pooled Cash and Investments". Interest income credited to the General Fund during the fiscal year totaled $(15,171).

During the fiscal year, the County invested in STAR Ohio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted GASB Statement No 79, Certain External Investment Pools and Pool Participants. Investments in STAR Ohio are valued at the net asset value (NAV) per share provided by STAR Ohio. Money market funds are reported at the NAV per share. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. All other investments are reported at fair value (See Note 4). Premiums paid for coupon bearing investments are amortized using the straight-line method; discounts are not amortized.

(g) Inventories

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. On the fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first in, first out basis. Inventory in governmental funds consist of expendable supplies held for consumption.

The cost of inventory items is recorded as expenditures in the governmental fund types when purchased. Inventories of the proprietary funds are expensed when used.

(h) Prepaid Items

Payments made to vendors for services that will benefit periods beyond the current fiscal year are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

(i) Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the government funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The County maintains a capitalization threshold of $5,000 dollars. Public domain ("infrastructure") general capital assets consisting of roads and bridges have been capitalized in accordance with requirements of the Governmental Accounting Standards Board. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not.

All reported capital assets are depreciated, with the exception of land including land under road base. Improvements are depreciated over the remaining useful life of the related capital assets. Useful lives for infrastructure were estimated based on the County’s historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities	Business-Type Activities
Land Improvements	15 years	15 years
Buildings and Improvements	30-100 years	30-100 years
Machinery and Equipment	5-20 years	5-20 years
Vehicles	5-10 years	5-10 years
Infrastructure - Water and Sewer Lines	N/A	70 years
Infrastructure - Pavement	15 years	N/A
Infrastructure - Base Roadways	75 years	N/A

The County is reporting intangible right to use assets related to leased buildings, equipment and vehicles. These intangible assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

(j) Interfund Balances

On fund financial statements, receivables and payables resulting from Interfund loans are classified as "Due to/From Other Funds" or "Advances To/From Other Funds", the latter not expected to be repaid within one year, and outstanding repayments from funds responsible for particular expenditures to the funds that initially paid for them are classified as "Interfund Receivable/Payable". All of these amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. Presently, there are no internal balances.

(k) Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the County, deferred outflows of resources are reported on the government-wide and proprietary fund statements of net position for deferred charge on refunding, pension, and other postemployment benefits (OPEB). A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB are explained in Notes 12 and 13.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the County, deferred inflows of resources include property taxes, pension, other postemployment benefits (OPEB), leases, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2022, but which were levied to finance year 2023 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental funds balance sheet. The deferred inflow for leases is related to the leases receivable and is being recognized as lease revenue in a systematic and rational manner over the term of the lease. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the County, unavailable revenue includes delinquent property taxes, sales taxes, intergovernmental grants and entitlements, and other revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB are explained in Notes 12 and 13.

(l) Compensated Absences

Compensated absences of the County consist of vacation leave and sick leave to the extent that payment to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the County and the employee.

In accordance with the provisions of Statement No. 16 of the Governmental Accounting Standards Board, Accounting for Compensated Absences, a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement.

A liability for sick leave is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments. The entire compensated absence liability is reported on the government-wide financial statements.

County employees earn vacation at varying rates ranging from two to five weeks per year. Sick leave is accumulated at the rate of three weeks per year. Vacation and sick leave is accumulated on an hours-worked basis. Accumulated vacation cannot exceed three times the annual accumulation rate for an employee. The County does not accrue a liability for non-vested sick leave or vacation benefits except as required by GASB 16 (see above).

(m) Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide and proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences and net pension liability that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, leases, and other long-term obligations are recognized as a liability on the fund financial statements when due.

(n) Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting, the County classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The following categories were used:

> Non-spendable – The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.
>
> Restricted – Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
>
> Committed – The committed fund balance classification includes amounts that can be used for the specified purposes imposed by a formal action (resolution) of the County Commissioners (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the County Commissioners remove or change the specified use by taking the same action (resolution) it employed to previously commit those amounts.

Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the County Commissioners, which includes giving the County Auditor the authority to constrain monies for intended purposes.

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In Other Governmental Funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The County applies restricted resources first when disbursements are incurred for purposes for which both restricted and unrestricted (committed, assigned and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when disbursements are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. The County considers assigned and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

(o) Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The majority of net position reported as restricted represent state and federal grants and entitlements. The County did not have any restrictions through enabling legislation at year-end.

(p) Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are primarily sewer district and county home resident charges for services. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund.

(q) Capital Contributions

Capital Contributions in proprietary fund financial statements arise from outside contributions of capital assets, from grant or outside contributions of resources restricted to capital acquisition and construction, or from capital related transactions with governmental funds. The County did not have any capital contributions during the fiscal year.

(r) Interfund Activity

Transfers between governmental and business-type activities on the governmental-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as Interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expense in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

(s) Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB asset, net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

(t) Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Commissioners and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the current fiscal year.

(u) Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 3 – BUDGET BASIS OF ACCOUNTING

While reporting financial position, results of operations and changes in fund balance on the GAAP basis, the budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Budget Basis) is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

(a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

(b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

(c) Encumbrances are treated as expenditures (budget basis) rather than Assigned or Restricted fund balance (GAAP).

(d) Due to the implementation of GASB 54, some funds were reclassified to the General Fund. These funds are not required to be included in the General Fund Budgetary Statement. Therefore, the activity from these funds is excluded with an adjustment for their change in fund balance.

Adjustments necessary to convert the results of operations at the end of the year on the Budget basis to the GAAP basis are as follows:

Net Change in Fund Balance

	General Fund	Auto and Gas Fund	Developmental Disabilities Fund	Childrens Services Fund	American Rescue Plan Act Fund
GAAP Basis	$ 2,681,600	$ 1,252,279	$ (335,980)	$ 325,844	$ -
Net Adjustment for Revenue Accruals	2,868,431	102,866	124,168	(106,234)	1,947,380
Net Adjustment for Expenditure Accruals	(1,042,795)	72,533	69,804	179,881	-
Funds Budgeted Elsewhere **	(3,980,011)	-	-	-	-
Adjustment for Encumbrances	(1,536,256)	(618,715)	(203,422)	(424,114)	(511,754)
Budget Basis	$ (1,009,031)	$ 808,963	$ (345,430)	$ (24,623)	$ 1,435,626

** As part of Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the severance reserve, general relief and rescue, cyber security and technology, long term environmental, certificate of title administration, recorder's equipment and the unclaimed monies funds.

NOTE 4 – DEPOSITS AND INVESTMENTS

Monies held by the County are classified by State statute into two categories. Active monies are public monies determined to be necessary to meet current demands upon the County treasury. Active monies must be maintained either as cash in the County treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Monies held by the County which are not considered active are classified as inactive. Inactive monies may be deposited or invested with certain limitations in the following securities provided the County has filed a written investment policy with the Ohio Auditor of State:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;

2. Bonds, notes, debentures, or any other obligations or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of this state or the political subdivisions of this state, provided the bonds or other obligations of political subdivisions mature within ten years from the date of settlement;

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts, in eligible institutions pursuant to Ohio Revised Code (ORC) sections 135.32;

6. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service or consisting exclusively of obligations described in (1) or (2) above; commercial paper as described in ORC section 135.143 (6); and repurchase agreements secured by such obligations, provided these investments are made only through eligible institutions;

7. The State Treasurer's investment pool (STAR Ohio);

8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value, within certain limitations;

9. Up to forty percent of the County's average portfolio, if training requirements have been met in either of the following:

   a. Commercial paper notes in entities incorporated under the laws of Ohio, or any other state, that have assets exceeding five hundred million dollars, which are rated in the highest classification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation, which mature within 270 days after purchase, and the investment in commercial paper notes of a single issuer shall not exceed the aggregate five percent of interim monies available for investment at the time of purchase.

   b. Bankers acceptances of banks that are insured by the Federal Deposit Insurance Corporation and that mature not later than 180 days after purchase.

10. Up to fifteen percent of the County's average portfolio in notes issued by U.S. corporations or by depository institutions doing business under authority granted by the U.S. or any state, provided the notes are rated in the three highest categories by at least two nationally recognized standard rating services at the time of purchase and the notes mature not later than three years after purchase;

11. A current unpaid or delinquent tax line of credit, provided certain conditions are met related to a County land reutilization corporation organized under ORC Chapter 1724; and

12. Up to two percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government, subject to certain limitations. All interest and principal shall be denominated and payable in United States funds.

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited.

Except as noted above, an investment must mature within five years from the date of settlement, unless matched to a specific obligation or debt of the County and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

(a) Cash on Hand

At year-end the County Treasurer had $8,000 in undeposited drawer and petty cash funds that is include in the financial statements as "Equity in Pooled Cash and Investments."

(b) Deposits with Financial Institutions

At year-end the bank balance was $45,712,736. Of the County's bank balance, $17,960,255 was covered by the Federal Deposit Insurance Corporation and the remaining amount was collateralized.

Custodial credit risk is the risk that, in the event of bank failure, the County's deposits may not be returned. Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in addition to amounts insured by the FDIC or may pledge a single pool of collateral for the benefit of every depositor via the Ohio Pooled Collateral Program administered by the Treasurer of State. Specific collateral must equal or exceed 105% of the carrying value of assets, whereas pooled collateral must equal or exceed 102% or lesser amount as determined by the Treasurer of State. The County has no deposit policy for custodial credit risk beyond the requirements of State statute. Although statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the County to a successful claim by the FDIC.

(c) Investments

As of December 31, 2022, the County had the following investments and maturities:

			Investment Maturities			
Investment	**Rating**	**Measurment Amount**	**Less than one year**	**1 to 3 years**	**Greater than 3 years**	**% of Total Investments**
Fair Value:						
U.S. Treasury Notes	AA	$ 9,842,940	$ 2,903,517	$ 3,307,887	$ 3,631,536	33.8528%
Federal Home Loan Mortgage Corporation	AA	3,636,279	662,770	2,973,509	-	12.5063%
Federal National Mortgage Association	AA	934,093	-	690,090	244,003	3.2126%
Government National Mortgage Association	AAA	353	-	353	-	0.0013%
Federal Farm Credit Bank	AA	4,648,679	1,805,077	1,468,504	1,375,098	15.9882%
Federal Home Loan Bank	AA	3,812,888	1,097,905	1,789,677	925,306	13.1137%
Municipal Bonds	AA/AAA	588,407	-	588,407	-	2.0237%
Corporate Issues	A/AA	2,265,979	1,264,483	1,001,496	-	7.7934%
Commercial Paper	A-1/A-2	2,426,303	2,426,303	-	-	8.3448%
Net Asset Value (NAV):						
Brokered Certificate of Deposit	Not rated	707,880	-	477,619	230,261	2.4346%
Star Ohio	AAAm	45,542	45,542	-	-	0.1566%
Money Market	AAAm	166,323	166,323	-	-	0.5720%
Total		$29,075,666	$10,371,920	$12,297,542	$ 6,406,204	100.0000%

Interest Rate Risk: Interest rate risk is the risk that an interest rate change could adversely affect an investment's fair value. The reporting of effective duration in the table below quantifies, to the fullest extent possible, the interest rate risk of the County's fixed income assets.

Credit Risk: Credit risk is the risk that an issuer or counterparty to an investment will be unable to fulfill its obligations. The County's investment policy does not restrict individual investments except for those mentioned in the Ohio Rev. Code Section 135.35.

Concentration of Credit Risk: Concentration of credit risk is the risk of inability to recover the value of deposits, investments, or collateral securities in the possession of an outside party caused by a lack of diversification. The County places no limit on the amount that may be invested in any one issuer.

The County measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The weighted average of maturity of the portfolio held by STAR Ohio as of December 31, 2022, is 31.9 days. The County measures their investment in the money market fund at the net asset value (NAV) per share provided by the investment manager. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. All other investments are reported at fair value. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the County's investments reported at fair value are valued using quoted market prices (Level 1 inputs).

(d) Deficit Fund Balances

The following governmental funds had deficit fund balances at December 31, 2022 as a result of accruals recorded in accordance with accounting principles generally accepted in the United States of America. The General Fund transfers funds when deficit cash balances exist, not when accruals occur.

Non-Major Funds	
Logan County ARC Grant	$ 16,454
Faulkner/Wheeler Ditch Construction	146,090
Shape Ditch Contruction	289,330
Total	$451,874

NOTE 5 – INTERFUND TRANSFERS

Interfund transfer activity during the fiscal year was as follows:

Fund	Transfers In	Transfers Out
Governmental Funds:		
General Fund	$ 85,000	$ 736,472
Other Governmental Funds	739,004	87,532
Total Governmental Funds	$ 824,004	$ 824,004

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them; to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to provide additional resources for current operations or debt service; to segregate money for anticipated capital projects; and to return money to the fund from which it was originally provided once a project is completed.

A portion of the transfers from Other Governmental Funds to the General Fund represents environmental remediation reserve ($85,000).

NOTE 6 – INTERFUND LOANS

Interfund loan activity during the fiscal year was as follows:

	Advances to Other Funds	Advances from Other Funds
Governmental Funds:		
General Fund	$ 498,430	$ -
Other Governmental Funds	104,360	602,790
Total Interfund Loans	$ 602,790	$ 602,790

These loans relate to grant programs and the construction and maintenance of ditches.

NOTE 7 – RECEIVABLES

Receivables at the end of the fiscal year consisted primarily of sales taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues, special assessments, accrued interest on investments, and accounts receivable. No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

Property taxes include amounts levied against all real and public utility property located in the County. Real property taxes and public utility taxes are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by state law at 35% of appraised market value. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value (normally 50 percent of cost). Tangible personal property taxes attach as a lien and are levied on January 1 of the current year. Tangible personal property assessments are currently 25 percent of true value. The total assessed value of real and public utility property for tax year 2021, which was used to collect property taxes in calendar year 2022, was $1,379,561,670. The full tax rate for all County operations applied to real property for the year ended December 31, 2022, was $2.50 per $1,000 of assessed valuation.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due February 10. If paid semi-annually, the first payment is due February 10, and the remainder payable by July 20. Under certain circumstances, state statute permits earlier or later payment dates to be established.

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portions of the tax collected. Collections of the taxes and remittance of them to the taxing districts are accounted for in various custodial funds of the County.

Property taxes receivable represents delinquent real and public utility taxes outstanding as of the last settlement and real and public utility taxes which were measurable as of the year end. Since the current levy is not intended to finance 2022 operations, the receivable is offset by a credit to Deferred Inflows of Resources (Property and Other Local Taxes). The delinquent real and public utility taxes that will become available to the County within the first 30 days of 2023 are shown as 2022 revenue; the remainder is shown as "Unavailable Revenue".

The eventual collection of significantly all real and public utility property taxes (both current and delinquent) is reasonably assured due to the County's ability to force foreclosure of the properties on which the taxes are levied.

NOTE 8 – LEASE RECEIVABLE

The County leases office space to the Ohio Department of Public Safety for the Ohio Bureau of Motor Vehicles Deputy Registrar License Agency located at 1365 County Road 32 North, Suite 3, Bellefontaine Ohio 43311. The lease commenced in 1998 and contains unlimited two-year renewals. The County is reporting a lease receivable of $176,685 in the governmental funds at December 31, 2022. This amount represents the discounted future monthly lease payments. This discount is being amortized using the straight-line method. For 2022, the County reported lease revenue of $2,730 and interest revenue of $5,338 in the governmental Funds.

A summary of future payments to be received is as follows:

Year	Principal	Interest	Total
2023	$ 2,977	$ 5,260	$ 8,237
2024	3,234	5,167	8,401
2025	3,503	5,066	8,569
2026	3,784	4,957	8,741
2027	4,076	4,840	8,916
2028-2032	25,215	22,110	47,325
2033-2037	34,591	17,660	52,251
2038-2042	46,035	11,655	57,690
2043-2047	53,270	3,800	57,070
	$ 176,685	$ 80,515	$ 257,200

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NOTE 9 – CAPITAL ASSETS

Capital asset activity for Governmental Activities during the fiscal year was as follows:

Governmental Activities	Beginning Balance	Additions	Deductions	Transfers	Ending Balance
Nondepreciable Capital Assets					
Land	$ 3,979,984	$ -	$ (100)	$ -	$ 3,979,884
Intangible	282,517	-	-	-	282,517
Construction in Progress	1,053,920	610,213	-	(940,123)	724,010
Total Nondepreciable Assets	5,316,421	610,213	(100)	(940,123)	4,986,411
Depreciable/Amortized Capital Assets					
Land Improvements	763,686	22,212	-	-	785,898
Buildings and Improvements	39,351,675	349,931	(200,838)	-	39,500,768
Intangible right to use, Building and Improvements	2,026,629	-	-	-	2,026,629
Machinery and Equipment	19,927,274	172,405	(11,913,598)	519,813	8,705,894
Intangible right to use, Machinery and Equipment	56,291	-	-	-	56,291
Vehicles	5,093,167	215,591	(1,883,707)	-	3,425,051
Intangible right to use, Vehicles	25,378	-	-	-	25,378
Infrastructure- Roads and Bridges	106,289,539	4,229,761	(41,763)	420,310	110,897,847
Total Depreciable/Amortized Assets	173,533,639	4,989,900	(14,039,906)	940,123	165,423,756
Less accumulated depreciation/amortization					
Land Improvements	(616,632)	(11,953)	-	-	(628,585)
Building and Improvements	(13,398,604)	(955,717)	104,514	-	(14,249,807)
Intangible right to use, Building and Improvements	(101,331)	(135,109)	-	-	(236,440)
Machinery and Equipment	(16,268,746)	(554,972)	11,109,743	-	(5,713,975)
Intangible right to use, Machinery and Equipment	(14,337)	(14,798)	-	-	(29,135)
Vehicles	(3,987,442)	(327,350)	1,705,606	-	(2,609,186)
Intangible right to use, Vehicles	(4,230)	(8,459)	-	-	(12,689)
Infrastructure- Roads and Bridges	(51,030,471)	(3,244,959)	39,676	-	$ (54,235,754)
Total accumulated depreciation/amortization	(85,421,793)	(5,253,317)	12,959,539	-	(77,715,571)
Depreciable Capital Assets, Net of accumulated depreciation/amortization	88,111,846	(263,417)	(1,080,367)	940,123	87,708,185
Total Capital Assets, Net	$ 93,428,267	$ 346,796	$ (1,080,467)	$ -	$ 92,694,596

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Depreciation/amortization expense was charged to the governmental functions as follows:

Depreciation/Amortization	
General Government	
Legislative and Executive	$ 857,569
Judicial	31,029
Economic Development & Assistance	4,116
Public Works	3,465,687
Public Safety	448,921
Human Services	334,998
Health	110,997
Total depreciation/amortization expense	$ 5,253,317

Capital asset activity for business-type activities during the fiscal year was as follows:

Business-type Activities	Beginning Balance	Additions	Deductions	Ending Balance
Nondepreciable Capital Assets				
Land	$ 441,000	$ -	$ -	$ 441,000
Intangible	225,000	-	-	225,000
Construction in Progress	3,197,980	4,099,474	-	7,297,454
Total Nondepreciable Assets	3,863,980	4,099,474	-	7,963,454
Depreciable/Amortized Capital Assets				
Land Improvements	352,500	-	(1,453)	351,047
Buildings and Improvements	33,784,278	-	(1,281)	33,782,997
Machinery and Equipment	6,642,712	111,280	(141,309)	6,612,683
Intangible right to use, Machinery and Equipment	88,003	-	-	88,003
Vehicles	1,813,849	244,721	(95,236)	1,963,334
Infrastructure	21,942,703	25,300	-	21,968,003
Total Depreciable/Amortized Assets	64,624,045	381,301	(239,279)	64,766,067
Less accumulated depreciation/amortization				
Land Improvements	(244,757)	(4,659)	1,380	(248,036)
Building and Improvements	(12,080,168)	(612,065)	1,216	(12,691,017)
Machinery and Equipment	(5,532,600)	(205,778)	106,493	(5,631,885)
Intangible right to use, Machinery and Equipment	(32,972)	(17,600)	-	(50,572)
Vehicles	(1,234,853)	(204,944)	90,264	(1,349,533)
Infrastructure	(12,128,472)	(452,284)	-	(12,580,756)
Total accumulated depreciation/amortization	(31,253,822)	(1,497,330)	199,353	(32,551,799)
Depreciable Capital Assets, Net of accumulated depreciation/amortization	33,370,223	(1,116,029)	(39,926)	32,214,268
Total Capital Assets, Net	$ 37,234,203	$ 2,983,445	$ (39,926)	$ 40,177,722

NOTE 10 – LONG TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended December 31, 2022:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation Bonds					
Series 2012 A/B - Various Purpose Bonds					
Issued 11/8/12. 0.65% to 3%	$ 2,690,000	$ -	$ (685,000)	$ 2,005,000	$ 230,000
Series 2012 A/B - Premium	31,725	-	(4,147)	27,578	-
General Obligation Capital Facilities Bonds					
Series 2018 Issued 11/14/18, 4.00%	9,045,000	-	(195,000)	8,850,000	200,000
Series 2018 - Premium	80,922	-	(3,007)	77,915	-
Direct Borrowings					
Motorola Solutions Sheriff Radio Equipment	698,971	-	-	698,971	353,886
Net Pension Liability	15,920,912	-	(4,971,286)	10,949,626	-
Compensated Absences	1,504,615	1,231,907	(1,208,929)	1,527,593	451,154
Leases Payable	2,068,767	-	(142,760)	1,926,007	113,425
Total Governmental Activities	$ 32,040,912	$ 1,231,907	$ (7,210,129)	$ 26,062,690	$ 1,348,465

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Business-Type Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Sewer System Improvement Revenue Bonds,					
Series 2007A/B Issued 03/30/07, 4.125%	$ 1,975,800	$ -	$ (1,975,800)	$ -	$ -
Series 2012 A/B - Various Purpose Bonds					
Issued 11/8/12. 0.65% to 3%	945,000	-	(130,000)	815,000	70,000
Series 2012 A/B - Premium	12,074	-	(1,208)	10,866	-
Sewer System Improvement Bonds					
Series 2015, Issued 4/16/15, 2.125%	3,472,991	-	(79,538)	3,393,453	81,330
2016 Refunding Bonds 2-4%					
Issued 5/3/16, Matures 12/1/33	6,710,000	-	(515,000)	6,195,000	540,000
2016 Refunding Bonds Premium	863,658	-	(72,475)	791,183	-
2014 Refunding Bonds, 3-5%					
Issued 9/30/14, Matures 12/1/39	9,800,000	-	(450,000)	9,350,000	475,000
2014 Refunding Bonds Premium	236,985	-	(15,277)	221,708	-
Telemetry Bonds	671,000	-	(220,000)	451,000	224,000
OWDA Lewistown Sanitary Sewer Design	132,470	-	(58,080)	74,390	58,080
OWDA Orchard Island and Wolfe					
Sanitary Replacement	448,499	2,889,920	-	3,338,419	-
OWDA Eastern Regional Collection System	1,575,110	697,420	(260,511)	2,012,019	-
OWDA Refinance of USDA Loan					
Series 2007A/B	-	1,983,394	(37,841)	1,945,553	72,843
Net Pension Liability	5,028,144	-	(1,981,297)	3,046,847	-
Compensated Absences Payable	332,116	604,353	(560,794)	375,675	141,969
Leases Payable	57,172	-	(17,159)	40,013	13,587
Total Business-Type Activities	$ 32,261,019	$ 6,175,087	$ (6,374,980)	$ 32,061,126	$ 1,676,809

In March 2007 the County issued $2,410,000 of Sewer System Improvement Revenue Bonds, Series A/B, for the purpose of paying the cost of improving the Logan County Sewer District by constructing sanitary sewers and installing individual grinder pumping stations. These bonds were current refunded in 2022. As a result, the liability of those bonds was removed from the bonds payable balance.

In November 2012, the County issued $10,585,000 of Various Purpose Bonds, Series 2012 A and Series 2012 B. $9,830,000 for the purpose of advance refunding Series 2002 Various Purpose Bonds, Series 2002 Sewer System Refunding Bonds, Series 2011 Capital Facilities Bond Anticipation Note, Series 2011 Recycling Upgrade Bond Anticipation Note, and Series 2011 Sewer Improvement Note, and $755,000 for the purpose of paying the costs of improving, rehabilitating and renovating the Carnegie Library Building.

On September 30, 2014, the County issued $12,300,000 of refunding bonds with a true cost of 3.48%, to advance refund $12,413,000 of outstanding 2006 and 2010 bonds. The proceeds of $12,647,746 (net of $200,654 in issuance costs) provided for a deposit into an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2006 and 2010 bonds. As a result, the 2006 and 2010 bonds are considered to be defeased and the liability for those bonds was removed from the bonds payable balance.

The 2014 refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $177,909. This difference, reported in the accompanying basic financial statements as a deferred outflow of resources, is being charged to operations through calendar year 2039 using the straight-line method. The County completed the advance refunding to reduce its total bond payments through calendar year 2039 by $1,446,136 and to obtain an economic gain (difference between the present values of the old and new bond payments) of $1,096,898.

In April 2015, the County issued $3,810,000 Sewer System Improvement Bonds, Series 2015, for the purpose of providing a portion of the cost of acquiring, constructing, enlarging, improving, and/or extending its sewer system. The bonds carry an interest rate of 2.125% and mature on April 1, 2055.

In May 2016, the County issued $8,670,000 of Sewer System refunding bonds to completely current refund 2007 Sewer System Improvement Bonds ($1,590,000) and to partially advance refund 2008 Sewer System Improvement Bonds ($7,210,000). The proceeds of $9,950,388, including a premium in the amount of $1,280,388, provided for a deposit into an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2007 and 2008 bonds refunded. The refunding bonds carry interest rates ranging from 2.0 to 4.0 percent and mature on December 1, 2033.

The 2007 and 2008 bonds refunded are considered to be defeased and the liability for those bonds was removed from the bonds payable balance. The 2016 refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $1,150,388. This difference, reported in the accompanying basic financial statements as a deferred outflow of resources, is being charged to operations through December 1, 2033 using the straight-line method. The County completed the advance refunding to reduce its total bond payments through December 1, 2033 by $1,439,500 and to obtain an economic gain (difference between the present values of the old and new bond payments) of approximately $1.0 million.

In November 2018, the County issued $9,580,000 Capital Facilities Bonds, Series 2018, for the purpose of refunding the County's Capital Facilities Notes 2017B and Capital Facilities Notes 2018A. The bonds carry an interest rate of 4.00% and mature on December 1, 2048.

During 2020, the County issued $179,496 of OWDA loans for the Lewistown Sanitary Sewer Design Project. In 2021, the County issued an additional amount of $11,054 for this project. The County also issued $313,686 of OWDA loans for the Orchard Island and Wolfe Island Sanitary Sewer Design Project. In 2021 and 2022, the County issued additional amounts of $134,813 and $2,889,920 for this project. The loans carry an interest rate of 0.00% and 0.64%, respectively. Since the loans haven't been completely drawn down and finalized, the loans are not included in the principal and interest schedule.

During 2020, the County issued $1,000,000 of Capital Facilities Bonds, Series 2020 for the Telemetry Project. The bonds carry an interest rate of 1.78% and mature on December 1, 2024.

During 2021, the County entered a contract of $698,971 for the purchase of equipment for the Sheriff's department. The contract carries an interest rate of 0.00% for the first two years, and 2.55% beginning October 2023. The contract matures in fiscal year 2024.

During 2021, the County issued $1,575,110 of OWDA loans, and in 2022 issued an additional $697,420 for the Eastern Regional Collection System. The loan carries an interest rate of 0.00%. Since the loan hasn't been completely drawn down and finalized, the loan is not included in the principal and interest schedule.

During 2022, the County issued $1,983,394 of OWDA loans for the current refunding of the 2007 Sewer System Improvement Revenue Bonds, Series A/B. The proceeds provided for a transfer of $1,932,000 to the bondholder to satisfy the outstanding balance of the 2007 A/B bonds. The OWDA loans carry an interest rate of 3.25 percent and mature on July 1, 2042.

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total assessed valuation of the County.

The code further provides that the total voted and unvoted net debt of the County less the same exempt debt, shall never exceed a sum equal to three percent of the first $100,000,000, of the assessed valuation, plus one-half percent of such valuation in excess of $100,000,000 and not in excess of $300,000,000, plus two and one-half percent of such valuation in excess of $300,000,000.

The following is a summary of the County's future annual debt service requirements for long-term debt:

	Various Purpose Refunding Bonds, Series 2012 A/B			Capital Facilities Bonds, Series 2018		
	Principal	Interest	Totals	Principal	Interest	Totals
2023	$ 300,000	$ 78,700	$ 378,700	$ 200,000	$ 354,000	$ 554,000
2024	310,000	71,200	381,200	210,000	346,000	556,000
2025	320,000	63,450	383,450	215,000	337,600	552,600
2026	325,000	55,050	380,050	225,000	329,000	554,000
2027	335,000	46,113	381,113	235,000	320,000	555,000
2028-2032	1,230,000	113,100	1,343,100	1,325,000	1,451,000	2,776,000
2033-2037	-	-	-	1,595,000	1,165,400	2,760,400
2038-2042	-	-	-	1,950,000	819,000	2,769,000
2043-2047	-	-	-	2,365,000	397,200	2,762,200
2048-2052	-	-	-	530,000	21,200	551,200
Total	$2,820,000	$ 427,613	$ 3,247,613	$ 8,850,000	$5,540,400	$14,390,400

	Telemetry Bonds, LTGO Bonds Series 2020			Motorola Solutions Sheriff Radio Equipment		
	Principal	Interest	Totals	Principal	Interest	Totals
2023	$ 224,000	$ 8,028	$ 232,028	$ 353,886	$ -	$ 353,886
2024	227,000	4,040	231,040	345,085	8,800	353,885
Total	$ 451,000	$ 12,068	$ 463,068	$ 698,971	$ 8,800	$ 707,771

	2014 Refunding Bonds			2016 Refunding Bonds		
	Principal	Interest	Totals	Principal	Interest	Totals
2023	$ 475,000	$ 344,487	$ 819,487	$ 540,000	$ 247,800	$ 787,800
2024	500,000	320,737	820,737	560,000	226,200	786,200
2025	515,000	300,738	815,738	580,000	203,800	783,800
2026	545,000	280,138	825,138	610,000	180,600	790,600
2027	565,000	258,337	823,337	640,000	156,200	796,200
2028-2032	3,090,000	1,006,394	4,096,394	2,665,000	448,400	3,113,400
2033-2037	3,110,000	426,269	3,536,269	600,000	24,000	624,000
2038-2042	550,000	32,163	582,163	-	-	-
	$9,350,000	$2,969,263	$ 12,319,263	$ 6,195,000	$1,487,000	$ 7,682,000

	Sewer System Improvement Bonds, Series 2015			OWDA Refinance of USDA Loan 2007 A/B		
	Principal	Interest	Totals	Principal	Interest	Totals
2023	$ 81,330	$ 71,682	$ 153,012	$ 72,843	$ 62,643	$ 135,486
2024	83,169	70,137	153,306	75,230	60,257	135,487
2025	85,054	68,168	153,222	77,695	57,792	135,487
2026	87,086	66,349	153,435	80,240	55,246	135,486
2027	89,167	64,488	153,655	82,869	52,617	135,486
2028-2032	477,522	293,274	770,796	456,897	220,536	677,433
2033-2037	487,904	240,661	728,565	536,814	140,619	677,433
2038-2042	495,561	189,602	685,163	562,965	46,724	609,689
2043-2047	553,257	134,254	687,511	-	-	-
2048-2052	618,679	72,395	691,074	-	-	-
2053-2055	334,724	10,739	345,463	-	-	-
Total	$3,393,453	$1,281,749	$ 4,675,202	$ 1,945,553	$ 696,434	$ 2,641,987

Pledged Revenues on Debt Issuances – The County has pledged future Logan Acres home revenues, net of specified operating expenses, to repay the county home bonds issued, the majority of which were refunded with the 2014 Refunding Bonds. Proceeds from the bonds provided financing for the construction of the Logan Acres facility. The bonds are payable solely from the home customers net revenues and are payable through 2039.

Compensated Absences - Compensated absences will be paid with available resources with the appropriate fund that relates to each particular employee. The funds include both governmental and business-type funds.

Net Pension Liability - There is no repayment schedule for the net pension liability; however, employer pension contributions are made from both governmental and business-type funds. For additional information related to the net pension liability see Note 12.

Leases Payable – The County has outstanding agreements to lease copiers, postage meters, vehicles and buildings. These leases have met the criteria of leases thus requiring them to be recorded by the County. The future lease payments were discounted based on the interest rate implicit in the lease or using the County's incremental borrowing rate. This discount is being amortized using the straight-line method over the life of the lease.

A summary of principal and interest amounts for the remaining leases is as follows:

	Governmental Activities		Business-Type Activities	
Year	**Principal**	**Interest**	**Principal**	**Interest**
2023	$ 113,425	$ 56,184	$ 13,587	$ 954
2024	109,585	52,835	11,983	599
2025	107,266	49,620	12,348	234
2026	112,322	46,345	2,095	3
2027	120,099	42,873	-	-
2028-2032	737,262	153,198	-	-
2033-2036	626,048	32,312	-	-
	$ 1,926,007	$ 433,367	$ 40,013	$ 1,790

NOTE 11 – COMPENSATED ABSENCES

Vacation and sick leave accumulated by County employees has been recorded in the government-wide and proprietary fund financial statements. Upon termination of County service, a fully vested employee is entitled to 25 percent of their accumulated sick leave not to exceed 30 days, plus all accumulated vacation and overtime. At December 31, 2022 vested vacation, compensatory, and sick leave benefits for governmental activity and business-type activity employees totaled $1,527,593 and $375,675, respectively.

NOTE 12 – DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Net OPEB Liability (Asset)

Pensions and OPEB are a component of exchange transactions between an employer and its employees of salaries and benefits for employee services. Pensions are provided to an employee on a deferred-payment basis as part of the total compensation package offered by an employer for employee services each financial period.

The net pension/OPEB liability (asset) represents the County's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the County's obligation for the liability to annually required payments. The County cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the County does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* and *net OPEB liability (asset)* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contributions outstanding at the end of the year is included in due to other governments on both the accrual and modified accrual bases of accounting.

The remainder of this note includes the pension disclosures. See Note 13 for the OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – County employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, the Combined Plan is no longer available for member selection. Substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Traditional Plan Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Traditional Plan Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	**Public Safety**	**Public Safety**
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	**Law Enforcement**	**Law Enforcement**
Age and Service Requirements: Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	**Public Safety and Law Enforcement**	**Public Safety and Law Enforcement**
Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	**Traditional Plan Formula:** 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	**Traditional Plan Formula:** 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

When a benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local	Public Safety	Law Enforcement
2022 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
2022 Actual Contribution Rates			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits	0.0	0.0	0.0
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.
** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was $3,152,553 for 2022. Of this amount, $391,803 is reported as due to other governments.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The County participates in STRS, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Effective August 1, 2017 – July 1, 2019, any member could retire with reduced benefits who had (1) five years of service credit and age 60; (2) 27 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Effective August 1, 2019 – July 1, 2021, any member may retire with reduced benefits who has (1) five years of service credit and age 60; (2) 28 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Eligibility changes will continue to be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60. Eligibility changes for actuarially reduced benefits will be phased in until August 1, 2026, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit plan unfunded liability. A member is eligible to receive a monthly retirement benefit at age 50 and termination of employment. The member may elect to receive a lump-sum withdrawal.

The Combined plan offers features of both the DB Plan and the DC Plan. In the Combined plan, 12 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 and after termination of employment.

New members who choose the DC Plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory employer rate is 14 percent and the statutory member rate is 14 percent of covered payroll. The County was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The 2022 contribution rates were equal to the statutory maximum rates.

The County's contractually required contribution to STRS was $98,364 for 2022. Of this amount, $5,965 is reported as due to other governments.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. STRS net pension liability was measured as of June 30, 2022, and total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Period	0.145915%	0.005854%	
Prior Measurement Period	0.135824%	0.006542%	
Change in Proportion	0.010091%	-0.0006888%	
Proportionate Share of the Net Pension Liability	$ 12,695,195	$ 1,301,278	$ 13,996,473
Pension Expense	$ (1,150,148)	$ 101,496	$ (1,048,652)

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight line method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five year period. At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	STRS	Total
Deferred Outflows of Resources			
Net Difference between Projected and Actual Earnings on Pension Plan Investments	$ -	$ 45,281	$ 45,281
Differences between Expected and Actual Experience	647,182	16,657	663,839
Changes of Assumptions	1,587,521	155,724	1,743,245
Changes in Proportionate Share and Differences in Contributions	1,504,061	39,998	1,544,059
County Contributions Subsequent to the Measurement Date	3,152,553	46,242	3,198,795
Total Deferred Outflows of Resources	$ 6,891,317	$ 303,902	$ 7,195,219
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	$ 278,438	$ 4,977	$ 283,415
Net Difference between Projected and Actual Earnings on Pension Plan Investments	15,100,472	-	15,100,472
Changes of Assumptions	-	117,215	117,215
Changes in Proportionate Share and Differences in Contributions	195,973	109,483	305,456
Total Deferred Inflows of Resources	$ 15,574,883	$ 231,675	$ 15,806,558

$3,198,795 reported as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS	STRS	Total
2023	$ (1,047,260)	$ 1,312	$ (1,045,948)
2024	(4,835,992)	(35,228)	(4,871,220)
2025	(3,550,734)	(72,069)	(3,622,803)
2026	(2,402,133)	131,970	(2,270,163)
Total	$ (11,836,119)	$ 25,985	$ (11,810,134)

Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2021, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.2 percent down to 6.9 percent, for the defined benefit investments. Key actuarial assumptions and methods used in the latest actuarial valuation, prepared as of December 31, 2021, reflecting experience study results, are presented below:

	OPERS Traditional Plan
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.00 percent, simple
Post-January 7, 2013 Retirees	3.00 percent, simple through 2022, then 2.05 percent, simple
Investment Rate of Return	6.90 percent
Actuarial Cost Method	Individual Entry Age

Key actuarial assumptions and methods used in the prior actuarial valuation, prepared as of December 31, 2020, are presented below:

	OPERS Traditional Plan
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.00 percent, simple
Post-January 7, 2013 Retirees	0.50 percent, simple through 2021, then 2.15 percent, simple
Investment Rate of Return	7.20 percent
Actuarial Cost Method	Individual Entry Age

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) [for all divisions]. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) [for all divisions]. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

For 2020, pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 15.3 percent for 2021.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized below:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00%	1.03%
Domestic Equities	21.00	3.78
Real Estate	11.00	3.66
Private Equity	12.00	7.43
International Equities	23.00	4.88
Risk Parity	5.00	2.92
Other investments	4.00	2.85
Total	100.00%	4.21%

Discount Rate The discount rate used to measure the total pension liability for the current year was 6.9 percent. The discount rate for the prior year was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate The following table presents the County's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 6.9 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
County's Proportionate Share of the Net Pension Liability	$ 33,471,442	$ 12,695,195	$ 4,593,404

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022, actuarial valuation, are presented below:

Inflation	2.50 percent
Salary Increases	Varies by service from 2.50 percent to 8.50 percent
Payroll Increases	3.00 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Cost-of-Living Adjustments (COLA)	0.00 percent

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2021, actuarial valuation, are presented below:

Inflation	2.50 percent
Acturial Cost Method	Entry Age Normal (Level Percent of Payroll)
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3.00 percent
Cost-of-Living Adjustments	0.00 percent

For 2022, post-retirement mortality rates for healthy retirees are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For 2021, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Tables, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

The actuarial assumptions used in the June 30, 2022 valuation, were based on the results of the latest available actuarial experience study, which is for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation*	Long-Term Expected Rate of Return**
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	100.00 %	

*Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and is net of investment expenses. Over a 30-year period, STRS investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes that employer and member contributions will be made at statutory contribution rates of 14 percent each. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on investments of 7.00 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table represents the County's proportionate share of the net pension liability as of June 30, 2022, calculated using the current period discount rate assumption of 7.00 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
County's Proportionate Share of the Net Pension Liability	$ 1,965,758	$ 1,301,278	$ 739,334

Assumption Changes Since the Prior Measurement Date The discount rate remained unchanged at 7.00 percent for the June 30, 2022 valuation.

Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability (Asset)

See Note 12 for a description of the net OPEB liability (asset).

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan.

Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

The heath care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension must have twenty or more years of qualifying Ohio service credit with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, OPERS did not allocate any employer contribution to health care for members. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County had no contractually required contribution for 2022.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B partial premium reimbursements will be continued indefinitely. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2022, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liability (Asset), OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The net OPEB liability (asset) for STRS was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The County's proportion of the net OPEB liability (asset) was based on the County's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS	STRS	Total
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Period	0.134166%	0.0058537%	
Prior Measurement Period	0.133522%	0.0065422%	
Change in Proportion	0.000644%	-0.0006885%	
Proportionate Share of the Net OPEB Liability (Asset)	$ (4,202,284)	$ (151,571)	$ (4,353,855)
OPEB Expense	$ (3,461,993)	$ (26,767)	$ (3,488,760)

At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	STRS	Total
Deferred Outflows of Resources			
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	$ -	$ 2,638	$ 2,638
Differences between Expected and Actual Experience	-	2,199	2,199
Changes of Assumptions	-	6,456	6,456
Changes in Proportionate Share and Differences in Contributions	88,661	2,857	91,518
Total Deferred Outflows of Resources	$ 88,661	$ 14,150	$ 102,811
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	$ 637,423	$ 22,763	$ 660,186
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	2,003,353	-	2,003,353
Changes of Assumptions	1,701,037	107,479	1,808,516
Changes in Proportionate Share and Differences in Contributions	63,522	479	64,001
Total Deferred Inflows of Resources	$ 4,405,335	$ 130,721	$ 4,536,056

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	STRS	Total
2023	$ (2,663,764)	$ (34,215)	$ (2,697,979)
2024	(927,477)	(33,698)	(961,175)
2025	(437,722)	(15,430)	(453,152)
2026	(287,711)	(6,661)	(294,372)
2027	-	(8,784)	(8,784)
Thereafter	-	(17,783)	(17,783)
Total	$ (4,316,674)	$ (116,571)	$ (4,433,245)

Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing historical assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions. The actuarial valuation used for 2021 compared to those used for 2020 are as follows:

	December 31, 2021	December 31, 2020
Wage Inflation	2.75 percent	3.25 percent
Projected Salary Increases,	2.75 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate	6.00 percent	6.00 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	1.84 percent	2.00 percent
Health Care Cost Trend Rate	5.50 percent, initial 3.50 percent, ultimate in 2034	8.50 percent, initial 3.50 percent, ultimate in 2035
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

For 2020, pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above-described tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 14.3 percent for 2021.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00%	0.91%
Domestic Equities	25.00	3.78
Real Estate Investment Trust	7.00	3.71
International Equities	25.00	4.88
Risk Parity	2.00	2.92
Other investments	7.00	1.93
Total	100.00%	3.45%

Discount Rate A single discount rate of 6.0 percent was used to measure the total OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 1.84 percent (Fidelity Index's "20-Year Municipal GO AA Index").

The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the County's Proportionate Share of the Net OPEB (Asset) to Changes in the Discount Rate The following table presents the County's proportionate share of the net OPEB (asset) calculated using the single discount rate of 6.00 percent, as well as what the County's proportionate share of the net OPEB (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
County's Proportionate Share of the Net OPEB (Asset)	$ (2,471,338)	$ (4,202,284)	$ (5,638,997)

Sensitivity of the County's Proportionate Share of the Net OPEB (Asset) to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB (asset). The following table presents the net OPEB (asset) calculated using the assumed trend rates, and the expected net OPEB (asset) if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2022 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Trend Rate	1% Increase
County's Proportionate Share of the Net OPEB (Asset)	$ (4,247,696)	$ (4,202,284)	$ (4,148,413)

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022, actuarial valuation are presented below:

Salary Increases	Varies by service from 2.50 percent to 8.50 percent	
Payroll Increases	3.00 percent	
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	
Discount Rate of Return	7.00 percent	
Health Care Cost Trend Rates		
Medical	Initial	Ultimate
Pre-Medicare	7.50 percent	3.94 percent
Medicare	-68.78 percent	3.94 percent
Prescription Drug		
Pre-Medicare	9.00 percent	3.94 percent
Medicare	-5.47 percent	3.94 percent

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2021, actuarial valuation are presented below:

Inflation	2.50 percent	
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65	
Payroll Increases	3.00 percent	
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	
Discount Rate of Return	7.00 percent	
Health Care Cost Trend Rates		
Medical	Initial	Ultimate
Pre-Medicare	5.00 percent	4.00 percent
Medicare	-16.18 percent	4.00 percent
Prescription Drug		
Pre-Medicare	6.50 percent	4.00 percent
Medicare	29.98 percent	4.00 percent

In 2022, for healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

In 2021, for healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

The actuarial assumptions used in the June 30, 2022 valuation were adopted by the board from the results of an actuarial experience study for July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation*	Long-Term Expected Rate of Return**
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	100.00 %	

*Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and is net of investment expenses. Over a 30-year period, STRS investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2022.

Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2022, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as of June 30, 2022, calculated using health care cost trend rates that are one percentage point lower and one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
County's Proportionate Share of the Net OPEB (Asset)	$ (140,123)	$ (151,571)	$ (161,377)

	1% Decrease	Current Trend Rate	1% Increase
County's Proportionate Share of the Net OPEB (Asset)	$ (157,216)	$ (151,571)	$ (144,446)

Assumption Changes Since the Prior Measurement Date The discount rate remained unchanged at 7.00 percent for the June 30, 2022 valuation.

Benefit Term Changes Since the Prior Measurement Date Salary increase rates were updated based on the actuarial experience study for the period of July 1, 2015 through June 30, 2021 and were changed from age based to service based.

Healthcare trends were updated to reflect emerging claims and recoveries experience.

NOTE 14 – DEFERRED COMPENSATION PLAN

County employees and elected officials participate in a statewide deferred compensation plan created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

NOTE 15 – CONTINGENT LIABILITIES

Federal and State Grants - The County participates in several federally assisted programs. These programs are subject to financial and compliance audits by grantor agencies or their representative. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

Pending Litigation - The County is defendant in several lawsuits. The outcome of these suits is not presently determinable and council believes that the resolution of these matters will not materially affect the County's financial condition.

NOTE 16 – INSURANCE

The County is exposed to various risks of loss related to torts, theft, damage to or destruction of assets, errors and omissions, employee injuries, and natural disasters. The County is a member of County Risk Sharing Authority, Inc. (CORSA) which is a shared risk pool of sixty-six counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program.

Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. This coverage includes comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

The County continues to carry commercial insurance for all other risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 17 – FUND BALANCE

Fund balance can be classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

	General	Auto and Gas	Developmental Disabilities	Childrens Services	American Rescue Plan Act	Other Governmental Funds	Total
Nonspendable for:							
Inventories	$ -	$ 1,069,922	$ -	$ -	$ -	$ -	$ 1,069,922
Prepaids	352,203	175	9,668	2,162	-	158,640	522,848
Long-term Receivables	166,250	-	-	-	-	-	166,250
Unclaimed Monies	129,511	-	-	-	-	-	129,511
Advances	498,430	-	-	-	-	104,360	602,790
Total Nonspendable	1,146,394	1,070,097	9,668	2,162	-	263,000	2,491,321
Restricted for:							
Public Works	-	7,533,404	-	-	-	4,037,518	$ 11,570,922
Human Services	-	-	7,524,777	2,492,412	-	1,887,778	11,904,967
Capital Projects	-	-	-	-	-	79,003	79,003
Public Safety	-	-	-	-	-	1,006,083	1,006,083
Economic Development and Assistance	-	-	-	-	-	698,662	698,662
Legislative & Executive	-	-	-	-	-	2,343,718	2,343,718
Judicial	-	-	-	-	-	1,049,230	1,049,230
Urban Redevelopment and Housing	-	-	-	-	-	805	805
Total Restricted	-	7,533,404	7,524,777	2,492,412	-	11,102,797	28,653,390
Committed for:							
Public Works	-	-	-	-	-	495,317	495,317
Public Health	488,847	-	-	-	-	2,366,620	2,855,467
Capital Projects	-	-	-	-	-	3,930,871	3,930,871
Public Safety	1,504,000	-	-	-	-	180,205	1,684,205
Total Committed	1,992,847	-	-	-	-	6,973,013	8,965,860
Assigned for:							
Public Works	-	-	-	-	-	141,653	141,653
Public Health	10,176	-	-	-	-	-	10,176
Human Services	37,875	-	-	-	-	-	37,875
Capital Projects	90,459	-	-	-	-	215,606	306,065
Public Safety	30,065	-	-	-	-	-	30,065
Legislative & Executive	2,810,317	-	-	-	-	-	2,810,317
Judicial	201,391	-	-	-	-	-	201,391
Debt Service	-	-	-	-	-	985,366	985,366
Future Appropriations	149,019	-	-	-	-	-	149,019
Total Assigned	3,329,302	-	-	-	-	1,342,625	4,671,927
Unassigned	8,050,956	-	-	-	-	(451,874)	7,599,082
Total Fund Balance	$ 14,519,499	$ 8,603,501	$ 7,534,445	$ 2,494,574	$ -	$ 19,229,561	$ 52,381,580

NOTE 18 – CONTRACTUAL COMMITMENTS

At calendar year-end, the County had the following outstanding contractual commitments:

Contract	Contract Amount	Amount Outstanding
Eastern Regional Sewer Design	$ 2,605,113	$ 593,094
Orchard Island and Wolfe Island Sanitary Replacement	7,806,342	4,467,923
	$ 10,411,455	$ 5,061,017

The outstanding balance noted above represents the difference between the contract amount and total services completed and stored to-date through the end of the year.

NOTE 19 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency ended in May 2023. During 2022, the County received COVID-19 funding. The financial impact of COVID-19 and the continuing recovery measures may impact subsequent periods of the County. The impact on the County's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated

The County's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

NOTE 20 – IMPLEMENTATION OF NEW ACCOUNTING

Implementation of New Accounting Principles

For the year ended December 31, 2022, the County has implemented Governmental Accounting Standards Board (GASB) Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 92, certain provisions of GASB Statement No. 97*, Component Unit Criteria and Deferred Compensation Plans,* and certain provisions of GASB Statement No. 99*, Omnibus 2022.*

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the County.

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the County.

GASB Statement No. 97 results in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The implementation of certain provisions of GASB Statement No. 97 (all except paragraphs 4 and 5) did not have an effect on the financial statements of the County.

GASB Statement No. 99 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of certain provisions of GASB Statement No. 99 that relate to extension of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, and pledges of future revenues by pledging governments, did not have an effect on the financial statements of the County.

NOTE 21 – ASSET RETIREMENT OBLIGATIONS

Ohio Revised Code (ORC) Section 6111.44 requires the County to submit any changes to their sewer system to the Ohio EPA for approval, including the retirement or abandonment of certain sewer-related assets. Through this permitting process, the County would be responsible to address any public safety issues associated with retiring or abandoning these sewer-related assets. In accordance with ORC Section 6111.44, and applicable accounting standards, the County believes an asset retirement obligation (ARO) to be present, however, there is significant uncertainty as to what public safety issues would need to be addressed. Based on this uncertainty, the ARO amount is not reasonably estimable at this time and therefore an ARO is not recognized in the County's financial statements.

NOTE 22 – SUBSEQUENT EVENT

On July 13, 2023, the County approved the issuance and sale of notes in the maximum principal amount of $4,500,000, in anticipation of the issuance of bonds, for the purpose of paying the costs of improving the County Home, by constructing an addition and any other related improvements, providing equipment and furnishings, and otherwise improving the site, together with all necessary and related appurtenances.

Logan County

Required Supplementary Information
Schedule of the County's Proportionate Share of the Net Pension Liability
Last Nine Years (1)

	2022	2021	2020	2019	2018
Ohio Public Employees' Retirement System (OPERS)					
County's Proportion of the Net Pension Liability	0.145915%	0.135824%	0.134540%	0.131477%	0.130461%
County's Proportionate Share of the Net Pension Liability	$ 12,695,195	$ 20,112,577	$ 26,592,744	$ 36,008,884	$ 20,466,802
County's Covered Payroll	$ 19,337,418	$ 18,567,985	$ 19,867,669	$ 20,088,255	$ 17,310,400
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	65.65%	108.32%	133.85%	178.38%	117.15%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.62%	86.88%	82.17%	74.70%	84.66%
State Teachers Retirement System (STRS)					
County's Proportion of the Net Pension Liability	0.005854%	0.006542%	0.006592%	0.006459%	0.005702%
County's Proportionate Share of the Net Pension Liability	$ 1,301,278	$ 836,479	$ 1,594,991	$ 1,428,327	$ 1,253,641
County's Covered Payroll	$ 702,600	$ 922,929	$ 892,250	$ 780,170	$ 717,983
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	185.21%	90.63%	178.76%	183.08%	174.61%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.90%	87.80%	75.50%	77.40%	77.30%

'(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

2017	2016	2015	2014
0.136759%	0.137597%	0.136209%	0.136209%
$ 31,055,643	$ 23,664,479	$ 16,428,328	$ 16,057,266
$ 17,313,845	$ 17,800,347	$ 16,728,342	$ 17,164,089
178.98%	132.62%	97.96%	93.48%
77.25%	81.08%	86.45%	86.36%
0.005740%	0.005971%	0.005828%	0.006373%
$ 1,363,511	$ 1,998,674	$ 1,610,733	$ 1,550,039
$ 643,158	$ 722,897	$ 688,887	$ 701,192
212.00%	276.48%	233.82%	221.06%
75.30%	66.80%	72.10%	74.70%

See notes to the required supplementary information

Logan County

Required Supplementary Information
Schedule of the County's Contributions - Pension
Last Ten Years

	2022	2021	2020	2019	2018
Ohio Public Employees' Retirement System (OPERS)					
Contractually Required Contribution	$ 3,152,553	$ 2,790,823	$ 2,676,747	$ 2,862,984	$ 2,880,340
Contributions in Relation to the Contractually Required Contribution	(3,152,553)	(2,790,823)	(2,676,747)	(2,862,984)	(2,880,340)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
County's Covered Payroll	$ 21,887,753	$ 19,337,418	$ 18,567,985	$ 19,867,669	$ 20,088,255
Contributions as a Percentage of Covered Payroll	14.40%	14.43%	14.42%	14.41%	14.34%
State Teachers Retirement System (STRS)					
Contractually Required Contribution	$ 98,364	$ 129,210	$ 124,915	$ 109,224	$ 100,518
Contributions in Relation to the Contractually Required Contribution	$ (98,364)	$ (129,210)	$ (124,915)	$ (109,224)	$ (100,518)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
County's Covered Payroll	$ 702,600	$ 922,929	$ 892,250	$ 780,170	$ 717,983
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%

See notes to the required supplementary information

2017	2016	2015	2014	2013
$ 2,307,931	$ 2,125,801	$ 2,189,255	$ 2,061,791	$ 2,278,626
(2,307,931)	(2,125,801)	(2,189,255)	(2,061,791)	(2,278,626)
$ -	$ -	$ -	$ -	$ -
$ 17,310,400	$ 17,313,845	$ 17,800,347	$ 16,728,342	$ 17,164,089
13.33%	12.28%	12.30%	12.33%	13.28%
$ 90,042	$ 101,206	$ 96,444	$ 91,155	$ 92,063
$ (90,042)	$ (101,206)	$ (96,444)	$ (91,155)	$ (92,063)
$ -	$ -	$ -	$ -	$ -
$ 643,158	$ 722,897	$ 688,887	$ 701,192	$ 708,177
14.00%	14.00%	14.00%	13.00%	13.00%

See notes to the required supplementary information

Logan County

Required Supplementary Information
Schedule of the County's Proportionate Share of the Net OPEB Liability (Asset)
Last Six Years (1)

	2022	2021	2020
Ohio Public Employees' Retirement System (OPERS)			
County's Proportion of the Net OPEB Liability (Asset)	0.134166%	0.133522%	0.133086%
County's Proportionate Share of the Net OPEB Liability (Asset)	$ (4,202,284)	$ (2,378,801)	$ 18,382,634
County's Covered Payroll	$ 19,337,418	$ 18,567,985	$ 19,867,669
County's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-21.73%	-12.81%	92.53%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	128.23%	115.57%	47.80%
State Teachers Retirement System (STRS)			
County's Proportion of the Net OPEB Liability (Asset)	0.00585367%	0.00654220%	0.00659180%
County's Proportionate Share of the Net OPEB Liability (Asset)	$ (151,571)	$ (137,937)	$ (115,851)
County's Covered Payroll	$ 702,600	$ 922,929	$ 892,250
County's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-21.57%	-14.95%	-12.98%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	230.73%	174.70%	182.10%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

2019		2018		2017
0.129763%		0.128421%		0.125983%
$ 16,918,032	$	13,945,574	$	12,724,711
$ 20,088,255	$	17,310,400	$	17,313,845
84.22%		80.56%		73.49%
46.33%		54.14%		54.05%
0.00645881%		0.00570154%		0.00573984%
$ (106,973)	$	(91,618)	$	223,947
$ 780,170	$	717,983	$	643,158
-13.71%		-12.76%		34.82%
174.74%		176.00%		47.10%

See notes to the required supplementary information

Logan County

Required Supplementary Information
Schedule of the County's Contributions - OPEB
Last Ten Years

	2022	2021	2020	2019	2018
Ohio Public Employees' Retirement System (OPERS)					
Contractually Required Contribution	$ -	$ -	$ -	$ -	$ -
Contributions in Relation to the Contractually Required Contribution	-	-	-	-	-
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
County's Covered Payroll	21,887,753	19,337,418	18,567,985	19,867,669	20,088,255
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State Teachers Retirement System (STRS)					
Contractually Required Contribution	$ -	$ -	$ -	$ -	$ -
Contributions in Relation to the Contractually Required Contribution	-	-	-	-	-
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
County's Covered Payroll	$ 702,600	$ 922,929	$ 892,250	$ 780,170	$ 717,983
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%

See notes to the required supplementary information

2017	2016	2015	2014	2013
$ 173,104	$ 346,277	$ 356,007	$ 334,567	$ 171,641
(173,104)	(346,277)	(356,007)	(334,567)	(171,641)
$ -	$ -	$ -	$ -	$ -
17,310,400	17,313,845	$ 17,800,347	$ 16,728,342	$ 17,164,089
1.00%	2.00%	2.00%	2.00%	1.00%
$ -	$ -	$ -	$ 7,012	$ 7,082
-	-	-	(7,012)	(7,082)
$ -	$ -	$ -	$ -	$ -
$ 643,158	$ 722,897	$ 688,887	$ 701,192	$ 708,177
0.00%	0.00%	0.00%	1.00%	1.00%

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NOTE 1 - NET PENSION LIABILITY

Changes in Assumptions – OPERS

Amounts reported incorporate changes in discount rate used in calculating the total pension liability as follows:

	2022	2021	2020	2019	2018
Discount Rate	6.90%	7.20%	7.20%	7.50%	8.00%

Calendar year 2017 reflects an adjustment of the rates of withdrawal, disability, retirement and mortality to more closely reflect actual experience. The expectation of retired life mortality was based on RP-2014 Healthy Annuitant mortality table and RP-2014 Disabled mortality table. Wage inflation rate was also reduced from 3.25 percent to 2.75 percent.

Changes in Benefit Terms – OPERS

In October 2020, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from 1.40 percent simple through 2020 then 2.15 simple to 0.5 percent simple through 2021 then 2.15 percent simple.

In October 2019, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from 3.00 percent simple through 2018 then 2.15 simple to 1.4 percent simple through 2020 then 2.15 percent simple.

Changes in Assumptions – STRS

For calendar year 2021, the discount rate changed from 7.45 percent to 7.00 percent.

The Retirement Board approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75 percent to 7.45 percent, the inflation assumption was lowered from 2.75 percent to 2.50 percent, the payroll growth assumption was lowered to 3.00 percent, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25 percent due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

Changes in Benefit Terms - STRS

Effective July 1, 2017, the cost-of-living adjustment (COLA) was reduced to zero.

NOTE 2 - NET OPEB LIABILITY (ASSET)

Changes in Assumptions - OPERS

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

Assumption	2022	2021	2020	2019	2018	2017
Discount Rate	6.00%	6.00%	3.16%	3.96%	3.85%	4.23%
Municipal Bond Rate	1.84%	2.00%	2.75%	3.71%	3.31%	n/a
Health Care Cost Trend Rate	5.50%	8.50%	10.50%	10.00%	7.50%	n/a

For calendar year 2019, the investment rate of return decreased from 6.50 percent to 6.00 percent.

Changes in Benefit Terms – OPERS

For calendar year 2022, the cost of living adjustments decreased from 2.20 percent simple to 2.05 percent simple.

For calendar year 2021, the cost of living adjustments decreased from 3.00 percent simple to 2.20 percent simple.

Changes in Assumptions – STRS

For calendar year 2021, the following changes were made to the actuarial assumptions:

- Discount rate from 7.45 percent to 7.00 percent
- Medicare medical health care cost trends from -68.78 percent initial to -16.18 percent initial
- Medicare prescription drug health care cost trends from -5.47 percent initial to 29.98 percent

For 2018, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent based on the methodology defined under GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*. Valuation year per capita health care costs were updated.

For 2017, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Changes in Benefit Terms – STRS

For 2019, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944 percent to 1.984 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021

For 2018, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

For 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.

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LOGAN COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

FEDERAL GRANTOR / ***Pass Through Grantor*** / **Program/Cluster Title**	**Federal AL Number**	**Pass Through Entity Identifying Number**	**Passed Through to Subrecipients**	**Total Award Disbursements**
U.S. DEPARTMENT OF AGRICULTURE				
Passed through the Ohio Department of Job & Family Services				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2223-11-6950	$ 138	$ 339,889
COVID-19 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2223-11-6950	-	14,202
Total SNAP Cluster			138	354,091
Total U.S. Department of Agriculture			138	354,091
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Pass through the Ohio Department of Development				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii:				
Community Housing Improvement Program	14.228	B-C-20-1BP-1	-	63,175
Formula Grant	14.228	B-F-19-1BP-1	-	162,817
Formula Grant	14.228	B-F-21-1BP-1	-	96,325
Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			-	322,317
Home Investment Partnerships Program:				
Home Investment Partnerships Program	14.239	B-C-20-1BP-2	-	16,145
Total U.S. Department of Housing and Urban Development			-	338,462
U.S. DEPARTMENT OF JUSTICE				
Passed through the Ohio Department of Public Safety				
Edward Byrne Memorial Justice Assistance Grant Program:				
Edward Byrne Memorial JAG - Investigative Unit	16.738	2021-JG-A03-6821E	-	10,390
Edward Byrne Memorial JAG - Investigative Unit	16.738	2021-EX-OOS-1103	-	3,197
Total Edward Byrne Memorial Justice Assistance Grant Program			-	13,587
Passed through the Ohio Attorney General's Office				
Crime Victim Assistance:				
Crime Victim Assistance	16.575	2022-VOCA-134719400	-	24,364
Crime Victim Assistance	16.575	2023-VOCA-135108347	-	12,462
Total Crime Victim Assistance			-	36,826
Passed through the Ohio Department of Youth Services				
Drug Court Discretionary Grant Program	16.585	2020-DC-BX-0071	-	130,428
Total U.S. Department of Justice			-	180,841
U.S. DEPARTMENT OF LABOR				
Passed through the Ohio Department of Job & Family Services and Greater Ohio Workforce Board Inc.				
Unemployment Insurance	17.225	2020/21-7346-1	-	15,290
Trade Adjustment Assistance	17.245	2020/21-7346-1	-	3,370
WIOA Cluster:				
WIOA Adult Program	17.258	2020/21-7346-1	-	45,399
WIOA Youth Activities	17.259	2020/21-7346-1	-	8,379
WIOA Dislocated Worker Formula Grants	17.278	2020/21-7346-1	-	11,067
Total WIOA Cluster			-	64,845
Employment Service Cluster:				
Employment Service/Wagner-Peyser Funded Activities - Total Employment Service Cluster	17.207	2020/21-7346-1	-	21,594
Total U.S. Department of Labor			-	105,099
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through the Ohio Department of Transportation				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	PID #99757	-	627
Highway Planning and Construction	20.205	PID #115294	-	35,604

See accompanying notes to the Schedule of Expenditures of Federal Awards

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

FEDERAL GRANTOR *Pass Through Grantor* Program/Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Award Disbursements
Highway Planning and Construction	20.205	PID #104834	-	150,000
Total Highway Planning and Construction Cluster			-	186,231
Passed through the Ohio Department of Public Safety				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	STEP-2022-00027	-	12,387
State and Community Highway Safety	20.600	STEP-2023-00023	-	2,455
Total State and Community Highway Safety - Total Highway Safety Cluster			-	14,842
Minimum Penalties for Repeat Offenders for Driving While Intoxicated:				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	IDEP-2022-00027	-	11,501
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	IDEP-2023-00023	-	1,755
Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated			-	13,256
Passed through the Ohio Department of Public Safety				
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	693JK31940044HMEP	-	3,081
Total U.S. Department of Transportation			-	217,410
U.S. DEPARTMENT OF TREASURY				
Direct Program				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	(1)	-	2,488,246
Total U.S. Department of Treasury			-	2,488,246
U.S DEPARTMENT OF EDUCATION				
Passed through the Ohio Department of Education				
Special Education Cluster (IDEA):				
Special Education Grants to States	84.027	(1)	-	79,362
Special Education Preschool Grants	84.173	(1)	-	37,757
Total Special Education Cluster (IDEA)			-	117,119
Total U.S. Department of Education			-	117,119
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct Award				
COVID-19 Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution	93.498	(1)	-	367,310
Passed through the Ohio Department of Job & Family Services				
Title IV-E Prevention Program	93.472	G-2223-11-6951	-	871
MaryLee Allen Promoting Safe and Stable Families Program	93.556	G-2021-11-5952 G-2223-11-6950	-	52,346
Temporary Assistance for Needy Families	93.558	G-2021-11-5951 G-2223-11-6950	-	224,285
COVID-19 Temporary Assistance for Needy Families	93.558	G-2021-11-5951 G-2223-11-6950	-	57,341
Total Temporary Assistance for Needy Families			-	281,626
Child Support Enforcement	93.563	G-2223-11-6950	-	614,229
CCDF Cluster:				
Child Care and Development Block Grant - Total CCDF Cluster	93.575	G-2223-11-6950	-	47,327
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-2223-11-6951	-	52,389
Foster Care Title IV-E	93.658	G-2223-11-6951	-	1,035,392
Adoption Assistance	93.659	G-2223-11-6951	-	270,771
Social Services Block Grant:				
Passed through the Ohio Department of Developmental Disabilities				
Social Services Block Grant	93.667	(1)	-	31,649
Passed through the Ohio Department of Job & Family Services				
Social Services Block Grant	93.667	G-2223-11-6950	17,227	374,371
Total Social Services Block Grant			17,227	406,020

See accompanying notes to the Schedule of Expenditures of Federal Awards

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

FEDERAL GRANTOR ***Pass Through Grantor*** **Program/Cluster Title**	**Federal AL Number**	**Pass Through Entity Identifying Number**	**Passed Through to Subrecipients**	**Total Award Disbursements**
Passed through the Ohio Department of Job & Family Services				
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-2021-11-5952 G-2223-11-6951	-	24,909
COVID-19 John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-2021-11-5952 G-2223-11-6951	-	19,653
Total John H. Chafee Foster Care Program for Successful Transition to Adulthood			-	44,562
COVID-19 Elder Abuse Prevention Interventions Program	93.747	G-2021-11-5951	-	50,359
Children's Health Insurance Program	93.767	G-2223-11-6950	-	1,184
Medicaid Cluster:				
Medical Assistance Program - Total Medicaid Cluster	93.778	G-2223-11-6950	109,733	409,589
Total U.S. Department of Health and Human Services			126,960	3,633,975
U.S DEPARTMENT OF HOMELAND SECURITY				
Passed through the Ohio Department of Public Safety				
Emergency Management Performance Grants:				
Emergency Management Performance Grants	97.042	EMC-2021-EP-00002	-	70,000
COVID-19 Emergency Management Performance Grants	97.042	EMC-2021-EP-00007	-	22,655
Total Emergency Management Performance Grants			-	92,655
Total U.S. Department of Homeland Security			-	92,655
Total Expenditures of Federal Awards			$ 127,098	$ 7,527,898

(1) Pass through number not available or multiple.

LOGAN COUNTY, OHIO

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Logan County, Ohio (the County) under programs of the federal government for the year ended December 31, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200*, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - SUBRECIPIENTS

The County passes certain federal awards received from the Ohio Department of Job and Family Services to other governments or not-for-profit agencies (sub-recipients). As Note B describes, the County reports expenditures of Federal awards to sub-recipients when paid in cash.

As a pass-through entity, the County has certain compliance responsibilities, such as monitoring its sub-recipients to help assure they use these sub-awards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that sub-recipients achieve the award's performance goals.

NOTE E – MATCHING REQUIREMENTS

Certain Federal programs require the County to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The County has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE F – TRANSFERS BETWEEN FEDERAL PROGRAMS

During calendar year 2022, the County made allowable transfers of $320,539 from the Temporary Assistance for Needy Families (TANF) (AL 93.558) program to the Social Services Block Grant (SSBG) (AL 93.667) program. The Schedule shows the County spent $281,626 on the TANF program. The amount reported for the TANF program on the Schedule excludes the amount transferred to the SSBG program. The amount transferred to the SSBG program is included as SSBG expenditures when disbursed. The following table shows the gross amount drawn from the TANF program during calendar year 2022 and the amount transferred to the Social Services Block Grant program.

Total Temporary Assistance for Needy Families	$ 602,165
Total reported as Social Services Block Grant	(320,539)
Total reported as Temporary Assistance for Needy Families	$ 281,626

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Logan County
Honorable County Board of Commissioners
Honorable County Auditor
Honorable County Treasurer
100 South Madriver Street
Bellefontaine, Ohio 43311

To the County Board of Commissioners, Auditor, and Treasurer:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Logan County, Ohio (the County) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 6, 2023 wherein we noted financial impact of COVID-19 and the continuing recovery measures which may impact subsequent periods of the County.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001, 2022-002, and 2022-004 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2022-001 through 2022-004.

County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs and / or corrective action plan. The County's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio

November 6, 2023

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Logan County
Honorable County Board of Commissioners
Honorable County Auditor
Honorable County Treasurer
100 South Madriver Street
Bellefontaine, Ohio 43311

To the County Board of Commissioners, Auditor, and Treasurer:

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Logan County's (County) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Logan County's major federal programs for the year ended December 31, 2022. Logan County's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Provider Relief Fund (PRF) and American Rescue Plan (ARP) Rural Distribution

In our opinion, except for the noncompliance described in the *Basis for Qualified and Unmodified Opinions* section of our report, Logan County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on COVID-19 Provider Relief Fund (PRF) and American Rescue Plan (ARP) Rural Distribution for the year ended December 31, 2022.

Unmodified Opinion on the Other Major Federal Program

In our opinion, Logan County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its other major federal program identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2022.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on COVID-19 Provider Relief Fund (PRF) and American Rescue Plan (ARP) Rural Distribution

As described in findings 2022-005 and 2022-006 in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding the following:

Finding #	Assistance Listing #	Program (or Cluster) Name	Compliance Requirement(s)
2022-005	93.498	COVID-19 Provider Relief Fund (PRF) and American Rescue Plan (ARP) Rural Distribution	Activities Allowed or Unallowed & Allowable Costs/ Cost Principles
2022-006	93.498	COVID-19 Provider Relief Fund (PRF) and American Rescue Plan (ARP) Rural Distribution	Reporting

Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

The County's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-005 and 2022-006, to be material weaknesses.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs and/or corrective action plan. The County's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio

November 6, 2023

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LOGAN COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
2 CFR § 200.515
DECEMBER 31, 2022

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	Yes
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	Yes
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	Yes
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified - COVID-19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF) (AL #21.027) Qualified - COVID-19 Provider Relief Fund (PRF) and American Rescue Plan (ARP) Rural Distribution (AL #93.498)
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	Yes
(d)(1)(vii)	**Major Programs (list):**	COVID-19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF) (AL #21.027) COVID-19 Provider Relief Fund (PRF) and American Rescue Plan (ARP) Rural Distribution (AL #93.498)
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	Yes

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2022-001

Noncompliance and Material Weakness – Logan County Sewer District Deficiencies

Ohio Admin. Code § 117-2-01 states that all public officials are responsible for the design and operation of a system of internal controls that is adequate to provide reasonable assurance regarding the achievement of objectives for their respective public offices.

Ohio Admin. Code § 117-2-02 requires public offices to maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements, and prepare financial statements.

Ohio Rev. Code § 149.351(A) states, in part, all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commission provided for under sections 149.38 to 149.42 of the Revised Code or under the records programs established by the boards of trustees of state-supported institutions of higher education under section 149.33 of the Revised Code. Those records shall be delivered by outgoing officials and employees to their successors and shall not be otherwise removed, destroyed, mutilated, or transferred unlawfully.

The **Logan County Sewer District's Records Retention Policy**, **No. 21-67**, concerning Monthly Billing Records, states that record of billing or billing sub, receipt records, meter readings, penalty amounts, adjustment records, customer reimbursement records, account balance, delinquent records, returned payments have a retention period of 6 years provided audit.

The Sewer District initiates automated clearing house (ACH) payments to pay certain vendors. During 2022, individuals outside the Sewer District and the vendor organization, posing as a vendor contacting the Sewer District, made email requests for the vendor's ACH information to be changed. The Sewer District changed the ACH information based on those email requests; however, this was a fraud scheme that resulted in the County's payments going into a fraudulent bank account in a total amount of $480,321. The County's bank was able to recover and return $393,905 to the County. The County's liability insurance subsequently reimbursed the County for the remaining loss ($83,916) at an insurance deductible cost to the County of $2,500.

This control failure occurred due to the Sewer District's failure to verify this change in ACH information was actually requested by an appropriate representative with the vendor. Failure to have appropriate processes and procedures in place related to vendor payments could lead to instances of fraud occurring and not being detected in a timely manner. The Sewer District/County should complete cyber-security and fraud recognition training for all employees. The Sewer District/County should establish and implement procedures to only make changes to ACH information if the change can be verified with the applicable vendor personnel. The Sewer District/County should never rely on an email to make such a change. All County employees should also be made aware of the County's/their department's procedures related to changing ACH information. Finally, all County Department's should be aware of and read the Cybersecurity Advisory memo that was released by the Auditor of State's office on March 9, 2023, that details ways to detect and stop re-direct schemes.

FINDING NUMBER 2022-001
(Continued)

In addition, the Sewer District was unable to provide a portion of 2022 billing stubs associated with cash payments made between October 1, 2022, and December 31, 2022. This documentation was shredded, and no electronic copy of the billing stub was maintained, contrary to the Sewer District's Records Retention Schedule. The amount of un-supported cash payments made between this timeframe that were posted in 2022 totaled $17,722. Failure to retain required public records may result in an incomplete audit trail, create potential problems for future management decisions, and may result in findings for recovery in future audits.

The Sewer District should establish and implement procedures to verify all records and documentation are properly maintained in accordance with approved record retention schedules.

Officials' Response:

See Corrective Action Plan on page 123.

FINDING NUMBER 2022-002

Noncompliance and Material Weakness – Logan County Payroll Department Deficiencies

Ohio Rev. Code § 145.47(B) states the head of each state department, institution, board, and commission, and the fiscal officer of each local authority subject to this chapter, shall transmit to the system for each contributor subsequent to the date of coverage an amount equal to the applicable per cent of each contributor's earnable salary at such intervals and in such form as the system shall require. The head of each state department and the fiscal officer of each local authority subject to this chapter shall transmit promptly to the system a report of contributions at such intervals and in such form as the system shall require, showing thereon all the contributions and earnable salary of each contributor employed, together with warrants, checks, or electronic payments covering the total of such deductions. A penalty shall be added when such report, together with warrants, checks, or electronic payments to cover the total amount due from the earnable salary of all amenable employees of such employer, is filed thirty or more days after the last day of such reporting period. The system, after making a record of all receipts under this division, shall deposit the receipts with the treasurer of state for use as provided by this chapter.

During 2022, a County employee discovered an error with their retirement contributions. The County Payroll Department investigated and discovered that the County was withholding and remitting the incorrect amounts for approximately twenty employees dating back to 1996. Due to this error and in an attempt to correct the contribution error, the County remitted the following to the Ohio Public Employees Retirement System (OPERS):

- Employee Interest - $29,414.16
- Employee Penalties - $85.22
- Employee Contributions - $47,577.01
- Employer Interest – $67,001.72
- Employer Penalties – $123.69
- Employer Contributions - $88,356.07

The County Payroll Department should establish and implement policies and procedures to verify the correct withholding amounts are being withheld and paid in a timely manner to avoid late fees, penalties, and interest charges. Failure to do so could result in findings for recoveries in future audits.

This matter will be referred to the Ohio Public Employees Retirement System.

Officials' Response:

See Corrective Action Plan on page 124.

FINDING NUMBER 2022-003

Noncompliance – Logan County Logan Acres Care Center Department Deficiencies

26 C.F.R. § 1.132-6(c) states, in part, that the value of any fringe benefit that would not be unreasonable or administratively impracticable to account for is includible in the employee's gross income. A cash equivalent fringe benefit (such as a fringe benefit provided to an employee through the use of a gift certificate or charge or credit card) is generally not excludable under section 132(a) even if the same property or service acquired (if provided in kind) would be excludable as a de minimis fringe benefit.

Additionally, **Internal Revenue Service Publication 15-B** states that cash and cash equivalent fringe benefits (for example, gift certificates, gift cards, and the use of a charge card, or credit card), no matter how little, are never excludable as a de minimis benefit. See Employer's Tax Guide to Fringe Benefits, Publication 15-B, Internal Revenue Service, Pg. 9 (2023).

Logan County's Procurement Card Policy, which outlines the procedures for use of Logan County's credit card, states, in part, that the procurement card cannot be used for Gift cards.

In **Logan County's Resolution No. 261-21**, the Logan County Commissioners approved the use of gift cards as employee incentives at Logan Acres, the County's nursing home and it also provides that "Bonus may include gift cards as a fringe benefit".

Gift cards for employee incentives were purchased using the County's credit card despite the County's Procurement Card Policy. The incentives were for perfect attendance, taking additional shifts, shifts involving patients with COVID-19, and/or taking weekend call shifts. These gift cards were distributed to employees at random times, with virtually no controls governing the awarding, distribution, or recording of amounts. The only evidence of distribution is an affidavit signed by the employee receiving the card(s). During testing, multiple issues with the use of these affidavits were identified, including the following:

- many of them contained white-out and/or changes to amounts and date
- supervisory sign-off of the affidavits was sometimes months after the employees' signatures
- dollar value of the affidavit was added to the last paycheck of the year, meaning employees who separated service prior to year-end did not have the gift cards added as a taxable fringe benefit.

From November 2021 through December 2022, the County documented $41,635 in purchased gift cards on their expenditure reports. The reports showed $30,775 recorded on employee payroll as taxable fringe benefits, leaving an undocumented amount of $10,860. This amount may have been distributed to employees who were no longer employed at year-end to have the card value added to payroll or may represent cards that were not yet issued or cards that could have been misappropriated. The lack of record keeping has prohibited any conclusions being reached.

If the County/Logan County Logan Acres Department elects to continue to provide gift cards to employees, policies and procedures should be established to verify proper controls are in place to prevent misappropriation. This includes, but is not limited to:

- Purchasing the gift cards using an allowable purchase method (ie. not using a credit card)
- Documentation of the number and amounts of gift cards purchased
- Secure safekeeping of the cards prior to distribution
- Properly completed and signed acknowledgement forms indicating the type of card and amount received
- Detailed log of gift cards purchased and their distribution that may be periodically reconciled to the remaining cards on hand (including type, date, amount, distribution date, and recipient)

FINDING NUMBER 2022-003
(Continued)

In addition, amounts received by employees should be included as taxable income for all individuals, including those that have left prior to fiscal year end upon distribution of the benefit. Failure to implement the above items could result in misuse of government monies, finding for recoveries in future audits, under-reporting of employee wages, and failure to pay appropriate payroll taxes on these amounts.

This matter will be referred to the Internal Revenue Service and the Ohio Department of Taxation.

In addition to the items noted above, on occasion, residents of Logan Acres Care Center will provide payments ahead of time for their services received resulting in an adjustment that could cause a surplus in a resident's account. In these instances, Logan Acres Care Center will show a credit to the individual's account unless the resident requests a refund or the resident has left and a reimbursement is needed. For one individual that was refunded in 2022, the name and address on the check did not match the name and address on the Logan Acres Care Center invoice to the resident. The County provided further support to indicate the check was written and sent to the proper individual; however, procedures should be established to ensure proper documentation is maintained for all payments, including refunds to residents. Failure to establish and implement these procedures could result in monies being reimbursed to the incorrect individual.

Officials' Response:

See Corrective Action Plan on page 125.

FINDING NUMBER 2022-004

Non-Compliance and Material Weakness – Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

In addition, **Ohio Rev. Code § 5705.14** states, in part, no transfer shall be made from one fund of a subdivision to any other fund, by order of the court or otherwise, except as permitted by this section of code. Furthermore, Section (D) states that the unexpended balance in any special fund, other than an improvement fund, existing in accordance with division (D), (F), or (G) of section 5705.09 or section 5705.12 of the Revised Code, may be transferred to the general fund or to the sinking fund or bond retirement fund after the termination of the activity, service, or other undertaking for which such special fund existed, but only after the payment of all obligations incurred and payable from such special fund.

The County inaccurately presented original and final budgetary figures on the Children Services Statement of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual statement resulting in adjustments, to which management has agreed, ranging from $1,379 to $2,185,271. Furthermore, the County inaccurately presented original budgeted expenditures and actual expenditures on the American Rescue Plan Act Fund Statement of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual statement resulting in adjustments, to which management has agreed, for $304,741 and $511,754, respectively.

FINDING NUMBER 2022-004
(Continued)

In addition to the misstatements above, we also identified additional misstatements ranging from $524 to $8,545,478, which we have brought to the County's attention.

Finally, the County approved and posted an unallowable transfer of $24,500 from the Dog & Kennel Fund to the General Fund. An adjustment, to which management has agreed, has been made to the financial statements and the accounting records.

Lack of proper controls and/or procedures to verify that all transaction types are completely and accurately posted to the accounting records led to the errors above and could lead to irregularities in the presentation of financial statements and/or notes as presented at year-end by the County. The misstatements identified above should be reviewed by the County Auditor, County Treasurer, and/or County Commissioners to verify similar errors are not reported on the financial statements in subsequent years. In addition, the County Auditor should implement procedures to identify and correct financial reporting errors and omissions. Accurate financial reporting is essential to provide useful information to financial statement users as well as management.

Officials' Response:

See Corrective Action Plan on page 126.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

1. <u>Adequate Documentation</u>

Finding Number:	**2022-005**
Assistance Listing Number and Title:	**AL #93.498 – COVID-19 Provider Relief Fund (PRF) and American Rescue Plan (ARP) Rural Distribution**
Federal Award Identification Number / Year:	**2022**
Federal Agency:	**U.S. Department of Health and Human Services**
Compliance Requirement:	**Activities Allowed or Unallowed and Allowable Costs/Cost Principles Requirements**
Pass-Through Entity:	**N/A – Direct Award**
Repeat Finding from Prior Audit?	**No**

<u>Questioned Cost, Material Weakness, and Noncompliance</u>

2 CFR § 300.1 states the Department of Health and Human Services adopts the Office of Management and Budget (OMB) Guidance in 2 CFR part 200, and has codified the text, with HHS-specific amendments in 45 CFR part 75. Thus, this part gives regulatory effect to the OMB guidance and supplements the guidance as needed for the Department.

2 CFR § 200.403 which states, in part, that except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards: (g) Be adequately documented.

FINDING NUMBER 2022-005
(Continued)

The PRF and ARP Rural Distribution are administered by the Health Resources and Services Administration (HRSA) and support eligible health care providers in the battle against the COVID-19 pandemic. PRF provides relief funds to eligible providers of health care services and support for health care-related expenses or lost revenues attributable to coronavirus. ARP Rural Distribution addresses the disproportionate impact that COVID-19 has had on rural communities and rural health care providers. PRF and ARP Rural Distribution recipients must only use payments for eligible expenses. The recipient certifies that the payment will only be used to prevent, prepare for, and respond to coronavirus and COVID-19, and that the payment shall reimburse the recipient only for health care related expenses or lost revenues that are attributable to coronavirus and COVID-19. 2022 OBM Compliance Supplement, Part 4, 93.498. Reporting Entities are required to maintain adequate documentation to substantiate that the PRF funds were used for health care-related expenses or lost revenues that are attributable to coronavirus and COVID-19. See PRB Reporting and Auditing FAQ, Health Resources & Services Administration, https://www.hrsa.gov/provider-relief/faq/reporting?categories=210&keywords=.

For 2022, five out of the twenty-five employees (20%) tested did not have adequate documentation to support the hours worked and paid to the employees for COV+10 and/or COV+7 pay. Logan County Logan Acres Care Center Department was unable to locate all of the pickup bonus forms for five of the employees. These forms indicate the day, number of hours, and type of bonus the employee was approved for and received. Therefore, $998 of the $6,882 of employee wages tested did not have supporting documentation, resulting in a projected error of $39,233 and a questioned cost.

Failure to maintain and provide adequate detailed financial records to support payments made could result in unallowable federal grant expenditures, reimbursements to the grantor, and/or additional questioned costs issued in future audits.

Logan County Logan Acres Care Center Department should implement policies and procedures to identify, gather, and verify that adequate supporting documentation is received, reviewed, and maintained prior to issuing payments of grant funds.

Officials' Response:

See Corrective Action Plan on page 127.

2. <u>Proper Tracking of Expenditures</u>

Finding Number:	**2022-006**
Assistance Listing Number and Title:	**AL #93.498 – COVID-19 Provider Relief Fund (PRF) and American Rescue Plan (ARP) Rural Distribution**
Federal Award Identification Number / Year:	**2022**
Federal Agency:	**U.S. Department of Health and Human Services**
Compliance Requirement:	**Reporting Requirement**
Pass-Through Entity:	**N/A – Direct Award**
Repeat Finding from Prior Audit?	**Yes**
Prior Audit Finding Number:	**2021-001**

FINDING NUMBER 2022-006
(Continued)

Material Weakness and Noncompliance

2 CFR § 300.1 states the Department of Health and Human Services adopts the Office of Management and Budget (OMB) Guidance in 2 CFR part 200, and has codified the text, with HHS-specific amendments in 45 CFR part 75. Thus, this part gives regulatory effect to the OMB guidance and supplements the guidance as needed for the Department.

2 CFR § 200.329(a) states the non-Federal entity is responsible for oversight of the operations of the Federal award supported activities. The non-Federal entity must monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved. Monitoring by the non-Federal entity must cover each program, function or activity.

45 CFR § 75.302(a) states each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. **Section (b)** states, in part, the financial management system of each non-Federal entity must provide for the following:

(1) Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received. Federal program and Federal award identification must include, as applicable, the CFDA title and number, Federal award identification number and year, name of the HHS awarding agency, and name of the pass-through entity, if any.
(2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 75.341 and 75.342.
(3) Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.
(4) Effective control over, and accountability for, all funds, property, and other assets. The non-Federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes.
(5) Comparison of expenditures with budget amounts for each Federal award.
(6) Written procedures to implement the requirements of § 75.305.
(7) Written procedures for determining the allowability of costs in accordance with subpart E of this part and the terms and conditions of the Federal award.

The COVID-19 Provider Relief Fund (PRF) and American Rescue Plan (ARP) Rural Distribution program is administered by the Health Resources and Services Administration (HRSA) and supports eligible health care providers in the battle against the COVID-19 pandemic by providing relief funds to eligible providers of health care services and support for health care-related expenses or lost revenues attributable to coronavirus. PRF recipients must only use payments for eligible expenses. 2022 OMB Compliance Supplement, Part 4, 93.498. Providers who accepted PRF and/or ARP payment(s) agreed to the Terms and Conditions of the program, which include a requirement to report on the use of the funds. See Reporting and Auditing, Health Resources & Services Administration, https://www.hrsa.gov/provider-relief/reporting-auditing. Entities receiving PRF funds are required to submit financial and other information in the Provider Relief Fund Reporting Portal. The PRF amounts to be reported on the County's Schedule of Expenditures of Federal Awards (SEFA) are based on the PRF report. 2022 OMB Compliance Supplement. Reporting Entities are required to maintain adequate documentation to substantiate that the PRF funds were used for health care-related expenses or lost revenues that are attributable to coronavirus and COVID-19. See PRB Reporting and Auditing FAQ, Health Resources & Services Administration, https://www.hrsa.gov/provider-relief/faq/reporting?categories=210&keywords= .

FINDING NUMBER 2022-006
(Continued)

Logan County Logan Acres Care Center Department (the Center) completed and submitted its PRF report based solely on the amounts received; however, the Center did not submit and maintain detailed, complete financial records on the actual expenditures of the PRF funds. As a result, the exact expenditures associated with the grant were unidentifiable which was contrary to the requirements imposed on recipients of PRF funds.

Logan County Logan Acres Care Center Department should implement procedures to verify grants are separately accounted for with respect to receipts and expenditures. Failure to maintain detailed financial records can result in unallowable federal grant expenditures and/or reimbursements to the grantor.

Officials' Response:

See Corrective Action Plan on page 128.

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JACK RESER

LOGAN COUNTY AUDITOR

Kacy Kirby, Chief Deputy LeAnn Taylor, Chief Deputy

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMEBER 31, 2022

Finding Number	Finding Summary	Status	Additional Information
2021-001	**COVID-19 Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution-** Reporting	Not Corrected	Steps are being taken by Logan Acres management to have proper reporting for federal awards in the future. Repeated as Finding 2022-006.

100 South Madriver Street Bellefontaine, Ohio 43311 Voice: (937)599-7209 Fax: (937) 599-7216
Email: jreser@logancountyohio.gov

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LOGAN COUNTY OHIO

SEWER DISTRICT

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2022

Finding Number:	2022-001
Planned Corrective Action:	Logan County Sewer District will comply with RC-2 policy by a review of any destroyed records by the administrative manager before records are destroyed. In addition, the Sewer District will review a digital record model for saving documentation. The Sewer District has contracted with a KnowBe4 provider to provide additional Cyber and Fraud training for all employees. The training will be constant and frequent.
Anticipated Completion Date:	12/1/2023
Responsible Contact Person:	Brian Schultz, Director

Respectfully,

Brian Schultz, Director
Logan County Sewer District

Cc: Mr. Jack Reser, Logan County Auditor
Karen Murray, LCSD Administrative Manager
Bonnie Effingham, LCSD Financial Manager

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2022

Finding Number: 2022-002

Planned Corrective Action: Logan County Sheriff's staff will review all new hires for job responsibility and the duties assigned to meet the qualifications as determined by the assignment. The Logan County Sheriff's HR staff will provide personal action form detailing the OPERS qualifying coverage.

The Logan County payroll staff will implement a confirmation of assigned OPERS benefit.

Anticipated Completion Date: 12/1/2003

Responsible Contact Person: Randall Dodds, Sheriff

LOGAN ACRES
SENIOR COMMUNITY

2739 County Road 91 • Bellefontaine OH 43311 • (937)592-2901 www.loganacres.com

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2022

Finding Number:	2022-003
Planned Corrective Action:	Logan Acres will only provide monetary rewards via resolution by County Commissioners and via the payroll system. The Logan County payroll staff will implement a confirmation of the compensation in payroll and reported on the W-2.
Anticipated Completion Date:	12/1/2023
Responsible Contact Person:	Lorraine Fischio, Director

JACK RESER
LOGAN COUNTY AUDITOR
Kacy Kirby, Chief Deputy LeAnn Taylor, Chief Deputy

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2022

Finding Number:	2022-004
Planned Corrective Action:	Logan County Auditor staff will increase efforts and multiple final reviews of the complier's adjustments and monitor variation of financial budgetary functions.
Anticipated Completion Date:	12/1/2023
Responsible Contact Person:	Jack Reser, Logan County Auditor

100 South Madriver Street Bellefontaine, Ohio 43311 Voice: (937)599-7217 Fax: (937) 599-7216
Email: jreser@logancountyohio.gov

LOGAN ACRES
SENIOR COMMUNITY

2739 County Road 91 • Bellefontaine OH 43311 • (937)592-2901 www.loganacres.com

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2022

Finding Number:	2022-005
Planned Corrective Action:	Logan Acres will increase documentation with employee time charts by dual confirmation of employee's time record demonstrating the differential compensation which will include dual verification of employee and staff supervisor.
Anticipated Completion Date:	12/1/2023
Responsible Contact Person:	Lorraine Fischio, Director

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2022

Finding Number:	2022-006
Planned Corrective Action:	Logan Acres maintained detailed separate financial records within the Finx Authority accounting system. Accurately accounting the revenue and expenditures in its operating fund. All grant receipts will be tracked through a separate Fund account established by the Auditor's office. Logan Acres will request a new Fund account to be established by the Logan County Auditor's office for each individual grant allocation it receives.
Anticipated Completion Date:	11.1.2023
Responsible Contact Person:	Lorraine Fischio, Administrator

OHIO AUDITOR OF STATE
KEITH FABER

LOGAN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.

Certified for Release 12/19/2023

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370